



BETWEEN  
THE OCEAN  
AND  
THE LAKES



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BY COMMON COUNCIL



CITY OF NEW YORK

THE

*Special Committee of the Board of Assistant Aldermen, consisting of Nathan C. Ely, Samuel R. Mullball and Daniel F. Fuernann Esq. to whom was referred the communication of the President and Directors of the New York and Erie Rail Road Company, in relation to the completion and opening of said road May 14<sup>th</sup> 1851 presented a report accompanied with the following resolutions, to wit:*

**RESOLVED** that we hail the completion of this gigantic and stupendous work as emphatically **"THE WORK OF THE AGE!"**

**RESOLVED** That the thanks of the City are due, and are hereby tendered to

*Benjamin Foder.*

Henry Sheldon,  
William F. Dodge,  
Cornelius Smith,  
William B. Skidmore,  
Charles M. Peupp.

Daniel S. Miller,  
Shepherd Knapp,  
Thomas J. Townsend,  
Marshall O. Roberts,  
Theodore Dehon,

Henry Suydam Jr.  
Samuel Marsh,  
Homer Ramsdell,  
Thomas W. Gale,  
John J. Phelps and

Norman White, Esquires

*the present directors of the New York and Erie Rail Road Company for the zeal, energy and devotion to this enterprise, so successfully brought to a termination after it had been so hopelessly abandoned by their predecessors.*

*Resolved that we commend the New York and Erie Rail Road to our fellow citizens as a work entitled to their generous patronage, and to the aid and countenance of our City government.*

Adopted by the Board of Assist<sup>d</sup> Aldermen May 22<sup>d</sup> 1851.

Concurred in by the Board of Aldermen June 4<sup>th</sup> 1851.

APPROVED, June 13<sup>th</sup> 1851

*A. A. Moore*  
PRESIDENT.

*Morgan Morgan*  
PRESIDENT.

*A. C. Kingsland*  
Mayor

*D. J. Valentine*  
*Arthur & Burton*

Arthur & Burton Lith. 61 Wall St N.Y.

BETWEEN THE OCEAN  
AND THE LAKES:

# THE STORY OF ERIE

By EDWARD HAROLD MOTT



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## THE REASON FOR IT.

WHY the history of a railroad? Particularly, why a history of the Erie? Many times during his work in the production of this Story of Erie the author was asked those questions. They were apt, and it was but natural that they should have been asked, for, at first thought, it is difficult for the average person to understand what there might be of interest or general importance in the details of the conception or building of a railroad. To-day there could be but little more than local interest or importance in such an undertaking, for the land is thick with railroads, and the purpose of none now constructing or to be constructed can be broader than that of local benefit. But when the idea for a railroad through the region and over the route now occupied by the Erie first found expression, seventy years ago, railroads were so strange in this country, so almost unheard-of, in fact, that in but three States of the Union had there been any movement made toward a practical application of them as a means of transportation—in Massachusetts, in Pennsylvania, and in Maryland; less than sixty miles of railroad, or of what then passed for railroad, in all the broad land. The Massachusetts railroad was built to haul stone on, from a quarry, by horse-power. The Pennsylvania railroads were used and to be used for hauling coal from the mines, the cars running by their own gravity, or being hauled by stationary engines up inclined planes. The Maryland railroad alone had been designed for the carrying of passengers as well as freight, with the hope that some day it might extend as far as the Allegheny Mountains of Virginia—and the cars were drawn by horses. The idea of the railroad as the one great factor in the development, the expansion, the civilization of the country had not inspired any of the undertakings named, and had found no expression until William C. Redfield

evolved it and called public attention to it, before the sound of a locomotive whistle or the whirr of a locomotive's wheels had been heard on the American continent; and from that idea came the Erie, the first projected link of all the links of railroad that have been welded into one great chain of connection between the Atlantic and the Pacific, making not only possible, but creating, the marvellous development of theretofore unknown regions, and peopling them with industrious millions.

When the movement toward the construction of the Erie began, Missouri was the only State west of the Mississippi; Chicago was a small village clustered about Fort Dearborn, and yet unnamed; Buffalo was a Western village, and Detroit a frontier post. Summer and winter saw the poor emigrant, with his whole household in a hooded wagon, which often served for vehicle, stable, and tavern, moving toilsomely to the distant West, or what was then called the distant West, and it was rarely more distant than Illinois. Beyond the Mississippi was virtually a land unknown to emigration.

Redfield's idea for such a railroad as he advocated involved even more than the project of those who at last acted upon it. He planned for the construction of a railroad from the Hudson River to the Mississippi, but that was a project beyond the power of his contemporaries to grasp the magnitude of. They said: "Let us reach Lake Erie with our railroad. Then other railroads will come from the West to meet us." And railroads did come from the West to meet them, brought into existence by the advance of the Erie westward. Then, as the Erie project took on form and substance, its purpose aroused the East to action, and Massachusetts began the pushing of a railroad westward, to share in, if not rule, the prospects brought to view by the Erie idea. If the build-

ing of the Erie had not been begun when it was, New York City and Central New York would have been without railroads for years, for it was the prospective uniting of the Hudson with Lake Erie by such a railroad that spurred the interests between Albany and Buffalo to the building of the local lines that were consolidated as the New York Central Railroad soon after the Erie was completed to Dunkirk. Boston's connection by rail with the West was hastened a decade or more by the Erie undertaking. It was because the Erie was advancing toward Lake Erie that all that system of railroads now known as the Lake Shore and Michigan Southern came into existence as early as they did, and that lines of railroad from the South and from the North were projected, and their building was begun and carried forward to meet the advancing Erie at some point along its route. Thus it may be said, truthfully, that the history of Erie is indirectly the history of the railroads of the country; and as the prosecution of the work of building and finishing the Erie between the ocean and the lakes, and the early operations upon it, were fraught with stirring and exciting incident without precedent here or elsewhere; involved so much of personal sacrifice, and enlisted in it the efforts of men so prominent socially and financially; brought into the commercial life of the country so much that was new and of universal benefit; evolved so many ideas in the science of railroading that became the basis of the future great development of that science, to the general good; and gave such opportunity, then and later in its existence, for the enhancement of individual interests and schemes, which opportunity was so eagerly seized and acted upon as to bring into the records of Erie events as startling and dramatic as any that enliven the pages of fiction, the story of it all stands unique among the chronicles of the time, and appeals not alone to one locality, nor simply to one particular class of readers. It is not alone the history of a rail-

road. It is a history of men, and measures, and methods that for two generations were potent in the social, financial, and commercial affairs of this country and Europe; and every page of it is of human interest. This had long been in the thought of the author. Hence "The Story of Erie."

To tell of the task the compiling of such a narrative entailed would require a chapter as long as any in the book itself. It was begun more than five years ago, and has been in almost constant prosecution. The records of three-quarters of a century, many of them long forgotten and hard to find, had to be examined; musty files of newspapers, old a generation ago, carefully scanned, number by number and year by year; old publications bearing on the subject, rare, and of obscure possession, hunted up and read; railroad reports for nearly seventy years past inspected, volume by volume, and the Erie's showing in them analyzed and digested; the records of Wall Street for half a century compiled; the survivors of Erie's departed days, few and widely scattered about the country, unearthed, and interviewed as to their reminiscences of those days—all these things, and many more, had to be accomplished before the Story of Erie could be told. It may well be expressed in the words of quaint Thomas á Wood of old: "A painfull work, I'll assure you, and more than difficult; wherein what toyle hath been taken as no man thinketh, so no man believeth, save he that hath made the triall."

In the preparation of this work the author has had the earnest coöperation of Mr. John S. Collins, to whose encouragement of the undertaking, and tireless and persistent efforts in its behalf, are due its completion, and the superior style in which the book has at last been brought to publication.

E. H. M.

NEW YORK, *June*, 1899.

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# BETWEEN THE OCEAN AND THE LAKES

## THE STORY OF ERIE

### CHAPTER I.

IN EMBRYO—1779 TO 1831.

A Great Wagon Road between the Hudson River and Lake Erie, over the Route now covered by the Erie Railroad, to be Constructed by the United States Government, suggested more than 100 Years ago by Gen. James Clinton—Thirty Years later a State Road to Connect the Great Lakes with Tidewater, through the Same Part of the State, Demanded—A Preposterous Survey of a Route for such a Road Made—The Project Abandoned, and a Canal Advocated—First Suggestion for a Railroad over the Route—The Redfield Pamphlet and its Wonderful Prophecies and Projects—A Government Survey of a Railroad Route that this Pamphlet Outlined in 1829—How the Project of a Railroad between the Hudson and Lake Erie was Influenced by a Railroad in South Carolina.

THE memorable invasion of the country of the confederated Indian tribes of New York State by the American troops under General Sullivan and General Clinton, in 1779, which was provoked by the bloody massacre at Wyoming the year before, led the army through the valleys of the Susquehanna and the Chemung, and into that of the Genesee. Although those regions were then virtually an unbroken wilderness, the far-seeing Clinton—statesman that he was as well as soldier—recognized at once not only the importance of those valleys to the future development of New York, but the great influence they were destined to exert in hastening the inevitable advance of civilization westward; and among the very ruins of Indian homes and villages, whose charred and smoking line between the Susquehanna and the Genesee marked the end of aboriginal supremacy in all that fair domain and in the State, he foresaw the beneficent changes that would come to those valleys within a few succeeding years, and took into his mind the great idea that dominated it all his after life. That idea was the connecting of the seaboard with the great lakes by a thoroughfare that should pass through the counties bordering on the State of Pennsylvania, and which was to be but the beginning of a national avenue leading to what was then the far West.

When the war was ended, the Federal Constitution adopted, and the national government organized, one of the first matters of importance that Congress was called to act upon was the petition of General Clinton and General Sullivan, who had become as enthusiastic as was Clinton in this stupendous project, for authority and an appropriation to construct a road, to be called the "Appian Way," from the Hudson River, and through the valleys of the Delaware, the Susquehanna, and the Alleghany, to Lake Erie, the great route to be planned and carried to completion by General Sullivan. Congress had no constitutional authority to make an appropriation for such an undertaking, and it came to naught. But until his death General Clinton never ceased to advocate the practicability and wisdom of his idea, and its great importance to the destinies of the country, emphasizing its palpable truth by pointed reference to the fact that the tide of emigration, which had set in steadily toward the "Lake Country" and the West, was being unduly retarded and held in check because of this very absence of thoroughfare in the intervening wilderness, with the result of incalculable detriment to the national welfare and to private interests.

But agitation of the subject was not interrupted by the death of General Clinton. His illustrious

son, DeWitt Clinton, was firm in the belief of his father, and his faith in its ultimate triumph was abiding. But when DeWitt Clinton came to the control of the political and economic affairs of New York, times had changed. The War of 1812 had been fought and won, and the counties bordering on Lake Ontario, and those of the central and eastern portions of the State, were its centres of political and commercial preponderance. Public and private interests demanded a better means of communication between tidewater and the lakes. The Southern Tier had its great rivers—capricious and uncertain though they were—as channels to transport its products to market, while its northern neighbors had for their dependence only tedious, slow, and incomplete post roads. In 1817, recognizing the justice of this demand, DeWitt Clinton, as Governor, called to the attention of the Legislature that great and long-cherished project, the construction of a canal to unite Lake Erie with the Hudson River.

It is one of the remarkable facts connected with the history of internal improvements in this country that five years before Governor Clinton had submitted his message advocating the construction of such a canal, but whose ideas on that subject were widely known, Col. John Stevens of New Jersey, then an old man, but still a wonderful one, wrote that he would undertake to build a line of railway, on which traffic in freight and passengers could be by means of steam locomotive power transported much more effectively and cheaply than it could be carried on the proposed canal. In company with the greater part of the world, DeWitt Clinton ridiculed the old engineer's ideas, and feared that age had unseated his great mind; but Stevens was simply a generation ahead of his time.

Governor Clinton's message to the New York State Legislature on the subject of the Erie Canal greatly alarmed the people of the Southern Tier and Delaware River counties. The construction of a canal from the lakes to the Hudson River, over the proposed route, they insisted would divert the course of emigration from their valleys, turn elsewhere the profitable trade of a wide region then tributary to them, and forever be a bar to a public thoroughfare for them between the East and the West, and to the

securing of markets other than the hazardous ones of Philadelphia, Baltimore, and Pittsburgh. The members of the Legislature from all these counties were instructed to oppose the canal project in every way.

DeWitt Clinton, however, had not abandoned the interests of those portions of the State, the enhancing of which his father had in view in his project of a highway between the East and the West, and he allayed the fears of the people, and won their support for the Erie Canal, by a pledge—to which the canal party assented—to secure the co-operation of the representatives of the canal counties with those of the opposing counties in the construction through the latter of an avenue best adapted to the topography of those localities, at the expense, or with the substantial aid, of the State. But for the giving of that pledge there would have been no Erie Canal for years to come.

In 1825 the Erie Canal was completed and opened. The year before, that, DeWitt Clinton brought the subject of a Southern Tier avenue before the Legislature, and recommended that some provision be made for a survey for a State road from the Hudson to Lake Erie through that part of the State. The survey was made, and with it began that persistent policy of chicanery and duplicity with which politics, selfishness, and ingratitude made fruitless for many a year the efforts of the Delaware, Susquehanna, and Alleghany valleys to escape from the bondage of commercial isolation.

The route surveyed for this State road extended almost in a straight line, *via* Bath, to Ithaca, and from that place southerly through the interiors of Delaware, Sullivan, Orange, and Rockland counties to Nyack, on the Hudson, with a branch to Kingston, Ulster County. It avoided all the valleys, and passed through only high, unbroken, and uncultivated lands the entire distance. The building of a road over that route would have been a task greater than that which confronted Napoleon at the base of the frowning Alps, for this one was utterly impracticable. The survey was made under the influence of the politicians of the canal counties, and in spite of the palpable absurdity of the survey and the transparency of the scheme that prompted it, and

against the protest of the Southern Tier and the other interested counties, the Legislature, a majority of which was hostile to the State road, accepted and indorsed the report of the commission. Thus was the great idea of General Clinton made ridiculous, and his illustrious memory insulted by the first official movement toward a test of its value and practicability.

The example of New York in preparing for the enhancement of its commercial interests by constructing the Erie Canal had been followed, in 1825, by the State of Ohio planning a similar work for its own public betterment—a canal from the Ohio River to Lake Erie. To prosecute this work money was necessary, and Ohio was young and absolutely without credit. New York City was the only place where money might be raised. Two eminent men of Ohio were sent to New York as commissioners to negotiate the desired loan on canal stock issued by the State. They had no personal acquaintance with anyone in the city except Eleazar Lord, who was among the conspicuous capitalists and financiers of New York three-quarters of a century ago. The commissioners appealed to him, and as the result of his efforts in behalf of the Ohio Canal had indirectly great influence on shaping events toward the beginning of the New York and Erie Railroad, the story of them, interesting in itself, may find suitable place in this history.

Eleazar Lord had enlisted friends of his in the Ohio Canal project, and with them invested largely in the State securities, on condition that the balance of the loan, \$1,000,000, should be placed by the State within one year. This the Ohio commissioners were unable to accomplish, and the work seemed doomed to failure, when Mr. Lord came to the rescue.

In 1825 DeWitt Clinton was at the zenith of his power and influence in New York State, and none among his contemporaries in the whole country was more illustrious than he. But his ambition was yet unsatisfied. He fondly aspired to the Presidency. He was then Governor of the Empire State. The Erie Canal had just been completed. The great work was everywhere associated with his name. He

was deeply interested in having the Ohio Canal constructed, not only because of the influence it would have on the progress and welfare of the country, but because it would be an indorsement of his idea of internal improvements, and further spread his fame and prestige through the land. Eleazar Lord knew Clinton intimately, and all his ambition.

John Jacob Astor, at that time, had a claim of \$600,000 against the State of New York for escheated lands in Putnam County. He was anxious to effect a settlement favorable to himself, and he depended on Governor Clinton to further such a consummation, the claim being in his mind just. This fact was also well known to Eleazar Lord, and it occurred to him that Clinton and his ambition and Astor and his financial interests might be formed into a combination that could be brought into service for the assuring of the success of the Ohio Canal. Governor Clinton was then in New York City, at the City Hall. Mr. Astor had arrived in town from Europe only a few days before. Mr. Lord at once secured audience with the Governor. Placing the situation before him in all its bearings on Clinton's prospects and Astor's interests, he said:

"You will do well, I think, to call on Mr. Astor at once, and ask him to either take the Ohio State loan, or give such assurance that will warrant me in saying to such bankers as I may think best to take into my confidence, that he will subscribe for and take the whole loan, provided others do not outbid him for it."

The Ohio Canal, completed, would be a great indorsement of his theories. Ohio had votes to give. Self-interest as well as patriotism appealed to him in the affair. So Governor Clinton acquiesced in Mr. Lord's view of the situation. He had an immediate conference with Mr. Astor, who lived then where the Astor House now stands. His arguments had such effect with the millionaire that in a short time Mr. Lord was able to truly say to several bankers that John Jacob Astor would take the entire Ohio State loan. That gave to the previously discredited security an instantaneous value, and capitalists vied so with each other in bidding for the loan that more than the amount of the issue was asked for, much of it at a premium. Of the loan Mr. Astor took

\$600,000. In the course of a few years the canal stock was paying 25 per cent. on the investment. Almost in a moment Ohio's credit was established, and the building of the canal assured. The Legislature of that State passed a vote of thanks to Eleazar Lord, Governor Clinton, and others, and they were invited to be present as guests of the State on the occasion of the breaking of ground for the canal, and their journey from Cleveland to the Ohio River was made amid the glad plaudits of the people, who assembled everywhere along the route to do them honor. But with that demonstration of popular homage, and the greater fame it brought him, it was fated that DeWitt Clinton should rest content. The goal of his high ambition was never reached.

During that memorable journey DeWitt Clinton discussed earnestly the question of the public highway from the Hudson to the Lakes through the southern part of New York State, and declared to Eleazar Lord his unfaltering belief in its necessity, and denounced the people of the canal counties for breaking faith with the border counties, as they had done in procuring by their influence the preposterous survey for a road through the latter counties. He urged Mr. Lord to become personally interested in the matter, and to use his influence in bringing the project to a successful issue, and the New York capitalist was so deeply impressed with the importance and great future of such an undertaking that he readily consented to Clinton's proposition. On his return to New York Mr. Lord advocated with such enthusiasm the subject of a Southern Tier State road, that other influential men of the day were led to his way of thinking, and the result was the calling of a convention of people along the line of the proposed road to protest against the action of the Legislature, and to adopt measures calling for a reparation of the injury done them. The convention met at Newburgh, N. Y., October 19, 1826, and was in session two days. A report of its proceedings was sent to the Governor, who placed it before the Legislature at the session of 1827, but that body took no action upon it. Before further steps could be taken by the friends of the project, DeWitt Clinton died, and agitation of the subject ceased.

Soon afterward, the feasibility of a canal through the Southern Tier between the Hudson River and Lake Erie was suggested by leading men in the Western counties, and the subject was being widely discussed and favorably received, when Benjamin Wright, the engineer of the Erie Canal, and one of the greatest civil engineers of that day, made public his views. They changed the entire aspect of the situation, and brought forward a problem in domestic economy the solution of which taxed for a generation the energies, the genius, and the resources of public-minded citizens, and demonstrated the capacity and willingness of men to subordinate the general weal to political and personal ends. Engineer Wright, in a letter published when the Southern Tier canal discussion was at its height, revealed the fact that, at the request of the Delaware and Hudson Canal Company, which had then almost completed the great canal from Honesdale, in Northern Pennsylvania, to tidewater on the Hudson at Rondout, he had made a survey from the canal at Lackawaxen, Pa., up the Delaware Valley to Deposit, N. Y., to ascertain the practicability of a branch canal westward to Lake Erie; had examined the Susquehanna and Chemung valleys, and made exhaustive inquiries relative to the topography of the country west from Hornellsville, Steuben County, N. Y. He declared that the obstacles between that point and the lake were too great to be overcome by a canal, but hinted that a railroad might not be impracticable.

The attention of the public was first really drawn to this route as one over which a railroad might be built, by a pamphlet issued by William C. Redfield of New York, in 1829, who had given the matter much study. The pamphlet was entitled a "Sketch of the Geographical Route of a Great Railway, by which it is proposed to connect the canals and navigable waters of New York, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Missouri and the adjacent States and Territories, opening thereby a free communication at all seasons of the year between the Atlantic States and the great valleys of the Mississippi," and proceeded as follows:

"The route commences on the Hudson River in the vicinity of the city of New York, at a point accessible at all seasons

to steam ferryboats, and from thence proceeds through a favorable and productive country to the valley of the Delaware River, near the northwest corner of the County of Sullivan. From thence the route ascends along the Delaware to a point that affords the nearest and most favorable crossing to the valley of the Susquehanna, which it enters at or near the great bend of that river.

"Pursuing a westerly and almost level course through the fertile valleys of the Susquehanna and Tioga rivers, the route crosses the head waters of the Genesee, having in its course intersected the terminations of the Ithaca and Owego Railroad and the Chenango and the Chemung canals in New York, the Great Susquehanna Canal in Pennsylvania, and several other points that afford important facilities for intercommunication.

"From Genesee River our route enters the valley of the Alleghany and proceeds along that river, which affords a navigable communication with Pittsburgh, the Pennsylvania canals, and the Ohio River. From Alleghany the route intersects the outlet of the Chautauqua Lake, on which communication may be had with Lake Erie, and proceeds to the headwaters of the French Creek to Pennsylvania, from which it again communicates with the Alleghany and the Pennsylvania canals on the one hand, and may be connected with the harbor of Erie on the other."

Thence the route was to proceed parallel to the lake line, through the States of Ohio and Indiana, to a point of junction with the Mississippi River, immediately above the Rock Island Rapids. In this pamphlet its author foresaw with prophetic accuracy the course of the railroads that would connect the infant states of Michigan, Indiana and Illinois with the Atlantic seaboard, and foretold that these railroads would advance with incredible rapidity the settlement of those vast and fertile regions and would divert their trade largely to the great Eastern metropolis. He showed his possession of accurate knowledge of the topography of the vast country lying between the Hudson and the Mississippi, and made an extraordinary forecasting of the rapid settlement of the Western states, the magic development of their agricultural and mineral wealth, and the rapid and constant growth of the city of New York. He set forth under nineteen distinct heads the great superiority of railroads to canals not then fully established, and he anticipated that after the construction of the great trunk railway connecting the Hudson and the Mississippi, many lateral railways and canals would be built which would combine in one vast network the whole great West with the Atlantic States. He said "this great plateau will indeed one day be intersected by thousands of

miles of railroad communications, and so rapid will be the increase of its population and resources, that many persons now living will probably see most or all of this accomplished." With this pamphlet the author published a map on which the proposed railroad appears with connections traced by his pencil to prominent points on Lakes Erie and Michigan now reached by the Erie Railroad.

This remarkable Redfield pamphlet found wide circulation, and in 1831, the principle of internal improvement by the Government finding favor with the existing national administration, Col. DeWitt Clinton, son of the great Clinton, and a member of the United States Army Engineer Corps, was detailed to make a reconnoissance of the country from the Hudson to the Mississippi, along the route of the proposed railroad. He carried the work to the Ohio portage waters, and made a report to the Government showing that the project was practicable so far as he had investigated, although the general features of that portion of the line within New York State were not as favorable as the friends of the undertaking had anticipated.

(The letter on page 6, in facsimile, from Clinton to Hon. Samuel Preston of Wayne County, Pa., a pioneer of the Delaware Valley, and one of the very earliest advocates of railroad construction in this country, is interesting in many ways as bearing on the subject of this proposed railroad.)

Thus, then, came the first suggestion of a railroad over that rugged route as the evolution of General Clinton's idea of a great national Appian Way. In the light of events then, this was a bold suggestion. When the Redfield pamphlet appeared there were but nine miles of railroad in the United States that could be classed as railroad in operation. That nine miles was a crude gravity road, or road of inclined planes, which had been running then something more than a year, connecting the Summit Hill coal mine with the Lehigh River at Mauch Chunk, Pa. True, the Baltimore and Ohio Railroad had been begun; the South Carolina Railroad was building, and several companies were under charter to build local railroads in New York State. But no mind had reached so far into the future of railroads as had that of Redfield, and he lived to see his daring

Washington December 3<sup>d</sup> 1831.

My Much Respected Friend

When I had the pleasure to meet you at your house, you promised to procure for me the level of the summit of the route proposed for the Rail Road between your place and the Susquehanna River, and also the distance across between the two rivers. I hope that you will be able to fulfill your promise, and that you will enclose me the measurements with <sup>out</sup> loss of time.

In a late letter I am told that it is proposed to hold a convention to promote the objects of the Road. I hope that Pennsylvania will enlist also in this measure by sending delegates to it. By Pennsylvania I allude to the northern counties, and it would be better that our friends in both States should unite than to adopt two separate conventions for that purpose.

If a Convention should be held it would be well to instruct the members of Congress in both States, <sup>and</sup> ~~where~~ constituents are interested, to exert themselves to procure a special appropriation by Congress to make the survey next spring. This in any event ought to be done.

Most respectfully, yours

DeWitt Clinton

FACSIMILE OF LETTER FROM COL. CLINTON TO HON. SAMUEL PRESTON. ORIGINAL LOANED BY MISS ANN PRESTON, MIDDLETOWN, N. Y.

WASHINGTON, December 3, 1831.

MY MUCH RESPECTED FRIEND: When I had the pleasure to meet you at your house, you promised to procure for me the level of the summit of the route proposed for the railroad between your place and the Susquehanna River, and also the distance across between the two rivers. [The Delaware and the Susquehanna.—*Author.*] I hope that you will be able to fulfill your promises, and that you will enclose me the measurements without loss of time.

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If a convention should be held it would be well to instruct the members of Congress in both States and whose constituents are interested, to exert themselves to procure a special appropriation by Congress to make the surveys next spring. This, in any event, ought to be done.

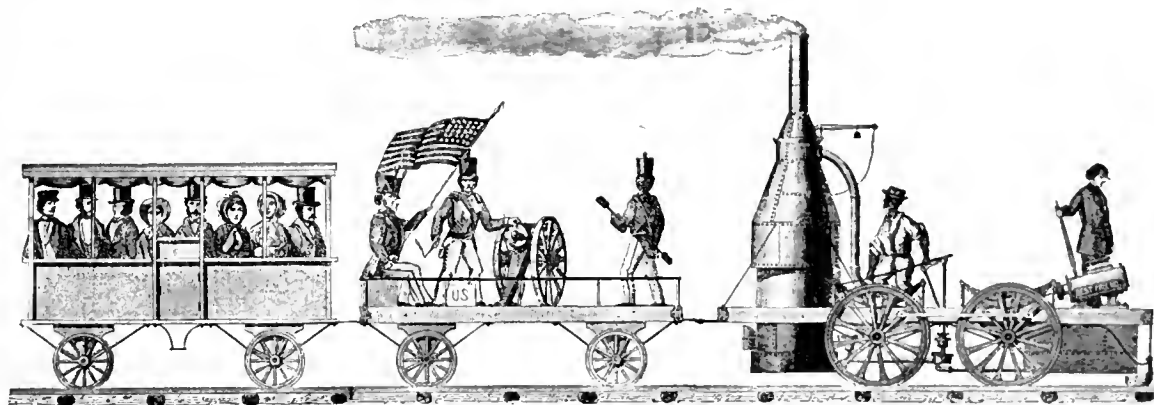
Most respectfully, yours,

DEWITT CLINTON.

prophecies, if not all come true, yet the truth of them established and their quick fulfillment inevitable.

It is a curious fact that it was the South Carolina Railroad that hastened the beginning of the New York and Erie Railroad, and made it the second railroad in the world projected and designed for the use of locomotive power. This motive power on railroads had become a comparatively old and universal thing when the Erie was ready to place its first locomotive in service, but when the notice of application for a charter for the New York and Erie Railroad was published in 1831, there were only four locomotives in use in this country, and only one railroad then in operation had been built with the original intention of having locomotives as its motive

and it was attached to the first train-load of passengers ever drawn by a locomotive in this country, January 15, 1831. Among those present on the memorable occasion was Hon. Henry L. Pierson of Ramapo, N. Y. Mr. Pierson was on his wedding tour, and chanced to be in Charleston on the day the railroad was opened. He and his bride were passengers on the train—thus giving them the distinction, doubtless, of being the very first bridal couple to enjoy a railroad trip. Mr. Pierson shared with his brother-in-law, Eleazar Lord, the belief in the importance of some avenue of communication through the southern portion of New York. The success of the trial trip of the locomotive on the pioneer South Carolina Railroad satisfied him that a



FIRST PASSENGER TRAIN IN AMERICA TO BE DRAWN BY A LOCOMOTIVE IN ACTUAL SERVICE, SOUTH CAROLINA RAILROAD, JANUARY 15, 1831. (FROM AN OLD PRINT.)

power. This was the South Carolina Railroad, between Charleston on the coast and Hamburg on the western border of South Carolina. In December, 1830, the first six miles of that railroad were opened. The pioneer locomotive built for use upon it was designed by Horatio Allen, who became President of the New York and Erie Railroad Company some years later. It was built at the West Point Foundry, New York City, and was named "The Best Friend of Charleston." The engine was placed on the railroad in October, 1830. It was "set up" by Julius D. Petsch, a Charleston machinist, who had never seen a locomotive before. Nicholas Darrell, another Charleston machinist, became its engineer, thus being the first locomotive engineer in America in actual service. After several trial trips the locomotive was pronounced ready for regular operation,

similar road would be feasible between New York and Lake Erie. He returned home in 1831, enthusiastic over the subject, bringing the first news of the wonderful railroad opening at Charleston. His representations aroused Eleazar Lord to enthusiasm on the subject of a railroad from the Hudson to the Lakes, and he became an earnest advocate of such an undertaking.

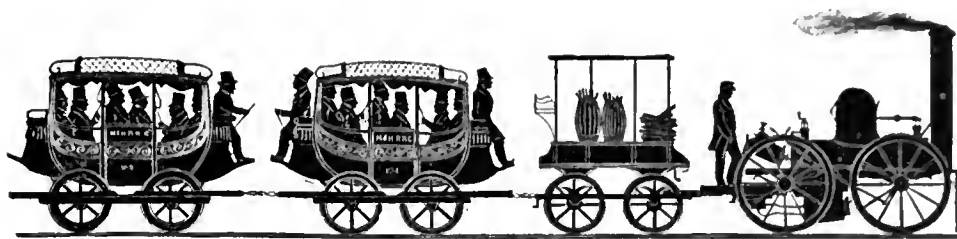
As the locomotive "The Best Friend of Charleston" was thus instrumental in spurring men to action in the matter of a railroad between the Hudson River and Lake Erie, the history of its career and fate may properly have a place in this chronicle. That history was thus tersely related in the *Charleston Courier* of June 18, 1831:

"The locomotive 'Best Friend' started yesterday morning to meet the lumber cars at the Forks of

the Road, and, while turning on the revolving platform, the steam was suffered to accumulate by the negligence of the fireman, a negro, who, pressing on the safety-valve, prevented the surplus steam from escaping, by which means the boiler burst at the bottom, was forced inward, and injured Mr. Darrell, the engineer, and two negroes. The one had his thigh broken, and the other received a severe cut in the face and a slight one in the flesh part of the breast. Mr. Darrell was scalded from the shoulder blade down his back. The boiler was thrown to the dis-

tance of twenty-five feet. None of the persons are dangerously injured except the negro who had his thigh broken. The accident occurred in consequence of the negro holding down the safety-valve while Mr. Darrell, the engineer, was assisting to arrange the lumber cars, and thereby not permitting the necessary escape of steam above the pressure the engine was allowed to carry."

That was the first locomotive explosion on record, but the "Best Friend" was patched up at a machine shop, and was in service a long time thereafter.



## CHAPTER II.

### TAKING FORM—1831 TO 1832.

New York Railroad Fever of 1831-32—First Public Meeting advocating a Railroad from the Hudson River to the Southern Tier held at Monticello, Sullivan County, N. Y.—The Railroad Meetings at Jamestown and Angelica—The Marvin Notice of Application for a Charter for a Company to Build a Railroad between the Hudson and Lake Erie—The Church Notice of Application—The General Convention at Owego to Discuss the Railroad Project—Differences of Opinion about the Propriety of One or of Two Corporations—The Sentiment of the Convention Favorable to Two Corporations—Defection of Philip Church—A Letter from New York that Resulted in the Final Agreement on a Single Charter—Birth of the New York and Erie Railroad.

AT the beginning of 1832 there were forty-four miles of railroad in operation in New York State—the Mohawk and Hudson Railroad, 15 miles long, between Albany and Schenectady, and the Ithaca and Owego Railroad, 29 miles long, between the two places named. The Mohawk and Hudson Railroad Company was chartered April 17, 1826, and was the first railroad in the United States designed for passenger traffic. When the railroad was finished in August, 1831, locomotives had come into use, and one, the DeWitt Clinton, was tried successfully, and the experimental train was run from Albany on the 9th of the month. This was the first passenger train and locomotive ever run in the State of New York. As an interesting relic of those infant days of railroading a facsimile reproduction is here made of a sketch of that pioneer excursion train and locomotive. This picture was cut by a silhouette artist, J. H. Brown, as the train stood in the Albany yard, just before it started. David Matthew was the engineer, John T. Clark was the conductor. The Mohawk and Hudson Railroad is now a part of the New York Central Railroad system.

The Ithaca and Owego Railroad Company was chartered January 28, 1828. Its railroad was constructed by aid of the State, and on the inclined plane system, and was run by stationary engines at planes, and by horse power on the levels. It is now a portion of the Delaware, Lackawanna and Western Railroad system.

The construction of these railroads brought to

New York State the first serious visitation of railroad fever in this country. There had been thirteen railroad companies chartered in the State since 1826, but, with the exception of the New York and Harlem, the Saratoga and Schenectady, the Rochester Railroad and Canal, and the Brooklyn and Jamaica Railroad, nothing had been done on them beyond obtaining the charters. But a sudden craze for railroads came in the summer of 1831, and the Legislature of 1832 found no less than twelve applications for charters for railroads before it. A local newspaper of that day thus jocosely pictured the situation:

It is almost impossible to open a paper without finding an account of some railroad meeting. An epidemic on this subject seems nearly as prevalent throughout the country as the influenza. From Albany to Buffalo the inhabitants, not satisfied with the canal, are holding meetings to further the project of a railway between those places, and our friends on the east side of the river, angry that the Hudson should suffer itself to be frozen up, have resolved to withdraw their patronage from it and forthwith construct something that shall answer for cold weather as well as warm. Instead of the good old-fashioned way of going twenty miles to market one day and back the next, we may expect shortly to be whisked along at the infernal rate of thirty miles an hour.—*Independent Republican, Goshen, N. Y., Dec. 26, 1831.*

It seems more than strange that this newspaper went to distant portions of the State to find examples of the rage for railroads, and had nothing to say about one that was then being just as eagerly discussed along its own prospective line, and on which the very town where the paper was published was to be a prominent station. For months the subject

of this railroad between the Hudson and Lake Erie had been agitated from New York City to Dunkirk.

As far as there is any record, the first public expression on the subject of a railroad to cover the ground subsequently occupied by the Erie, was given at a meeting held at Monticello, Sullivan County, N. Y., on July 29, 1831, which meeting was continued the next day, as the following proceedings from the record testify:

At an adjourned meeting of the inhabitants of the village of Monticello, held at Major S. W. B. Chester's on the 30th of July, 1831, relative to the project of constructing a railroad through the Southern part of the State of New York, pursuant to public notice, it was

*Resolved*, That we view with deep interest the project of constructing a railroad from the Hudson River, through the counties of Rockland, Orange, Sullivan, Delaware, Broome, and Tioga to Elmira, and of a branch thereof to said Hudson River in the county of Orange, and that we will use our utmost exertions to further the undertaking.

*Resolved*, That John P. Jones, Platt Pelton, Hiram Bennett, Randall S. Street, and Archibald C. Niven be a committee to promote the said object.

There is no record of what that committee did to "promote the object," but it is to be presumed that the publication, some weeks later, of a certain notice of application to the Legislature of New York satisfied the Monticello people that the work was going forward satisfactorily without the necessity of their promoting. It is to their lasting honor, however, that they were the first to put in tangible form an expression of appreciation of the practicability and importance of the great work under discussion, although it was then as yet without form or coherence, and although, under the influence of subsequent circumstances, they were not permitted to enjoy any direct benefit from its consummation.

About three months later than the Monticello meeting (on September 20), a meeting was held at Jones's Tavern, Jamestown, Chautauqua County, to discuss the question of a railroad through the Southern Tier of counties, between the Hudson River and Lake Erie. This meeting was called chiefly through the efforts of Richard P. Marvin, then a young and unknown lawyer, but who became a man of eminence, and, as Judge Marvin, had a reputation second to none in the State. Young Marvin had thought deeply on the question of bet-

ter means of communication between tidewater and the Western part of the State, and was one of the first to foresee the superiority of a railroad for that purpose. Of this Jamestown meeting Hon. Elial T. Foote, who was the first judge of Chautauqua County, was the chairman. The result of the meeting was the drafting of the following notice by Mr. Marvin, which was published in the *Albany Argus*, then the "State Paper," and in the newspapers of the Southern Tier, such publication being a necessary legal procedure in those days:

RAILROAD.—Application will be made to the Legislature of this State at its next session for the passage of an act to incorporate a company to construct a Railroad from the city of New York through the Southern Tier of counties and the village of Jamestown to Lake Erie, with a capital of six millions of dollars, or such other sum as may be deemed necessary.

September 20, 1831.

This notice to the Legislature was practically the first positive step toward the project of building a railroad between the Hudson River and Lake Erie.

Early in October, 1831, a notice signed by Philip Church and others was printed in the Allegany County newspapers calling a meeting to be held October 25, at the court house in Angelica, "for the purpose of adopting measures in relation to the contemplated railroad from the city or county of New York to Lake Erie, or the portage of the summit of the Ohio Canal" (the Redfield project). The meeting was held. Philip Church was chairman, and Asa S. Allen and Daniel McHenry secretaries. Philip Church made an address in which he said that he, with others, had been for a year past moving to form a company for the purpose of connecting the port of New York with Lake Erie, and had drawn a notice of application to that effect. He read the notice to the meeting, and a committee—Philip Church, Hon. John Griffin, B. F. Smead, J. B. Cooley, and George Miles—was appointed to draft resolutions expressing the views of the meeting, which was adjourned until the next evening, October 26. The result was that the plan of the National Railroad was ignored and Philip Church's idea approved. His notice of application for a railroad was adopted, and was published according to law. It was as follows:

## NOTICE OF INCORPORATION.

*Notice* is hereby given that an application will be made to the Legislature at its next session for the passage of an act incorporating a company with a capital of ten millions of dollars for the construction of a railroad from the city or county of New York to that part of Lake Erie lying between the mouth of Cattaraugus Creek and the Pennsylvania line, together with a branch of the Alleghany River, and also for the establishment of a ferry across such part of the North River as the route of the main line of the railroad may pass over.

November 2, 1831.

To further the interests of such a railroad, citizens of Owego issued a call for a convention at that place, as being a central one and convenient for the purpose, to discuss the matter by delegates from all the counties interested. This was approved by all, and the date of the convention was fixed for December 20, 1831. The Pumpellys and Drakes of Owego, prominent citizens and large landowners, were the prime movers in the proposed railroad at Owego, and at Binghamton the Whitneys and other leading people brought their influence to bear in favor of it, although that community believed more in the value and importance of the Chenango Canal than they did in the efficacy of a railroad to enhance their interests.

The publication of the applications for a railroad charter had an effect on the people of the southern tier and interior counties of New York that was by no means assuring to the sponsors of the proposed company in the western counties. The railroad was to be nearly five hundred miles long, and that a work of such magnitude could be carried to a successful issue by one corporation these people doubted. The State itself, with all the strength of its government and the resources of its treasury, they argued, had been ten years in constructing the Erie Canal, and here was a work, seemingly as formidable, to be boldly undertaken by a private corporation. They affected to see only utter failure as the outcome of such an unheard-of project, and insisted that there should be at least two separate companies chartered. Conventions were held at various places in these and the adjoining counties, the delegates being composed of the representative men of those portions of the State, and strong protests were made against the single charter project. At a convention held at

Binghamton, December 15, 1831, at which the counties of Seneca, Tompkins, Tioga (which then included Chemung County), Broome, and Orange, in New York State, and the Pennsylvania counties of Wayne, Susquehanna, and Luzerne were represented, the plan of two charters instead of one was discussed and approved—that is, the convention advocated the application to the Legislature for a charter for a railroad from Owego to New York City, and approved of the project for a railroad from Owego to Lake Erie. At this convention, as at all the county conventions that had been held, delegates were appointed to attend the general convention of people along the line of the proposed railroads at Owego on December 20, 1831. As it was from the result of the action of this gathering of the representative men of the counties then interested in the undertaking that the New York and Erie Railroad Company and the railroad from the tidewater to Lake Erie were born, the proceedings of the Owego Convention, although only the cold, formal, official report of them is possible at this late day, are an important part of the history of Erie, and are reproduced here as they were published in the *Owego Gazette* of December 22, 1831, together with the comment of that newspaper on the gathering and its work:

## RAILROAD CONVENTION.

One of the most numerous and respectable conventions, we venture to say, that has been convened in this State, for objects of Internal Improvement, was held in this village on the 20th and 21st inst., on the subject of a railroad from Lake Erie to the Hudson. It was composed of delegates from some fifteen or sixteen counties, besides many gentlemen from various sections interested in the proposed object, not members of the convention. It is but justice to say, and we allude to the fact with much pleasure, as evincing the high estimation in which the proposed improvement is held by an intelligent public, that the convention embraced much of the wealth, talent, and enterprise of this enterprising State. We have only time to remark, that a cordiality of sentiment prevailed, in relation to the measures to be pursued for the attainment of the grand object in view, to a degree that reflects the highest credit on the convention, and furnishes the most satisfactory evidence that the object will be persevered in until finally accomplished. The proceedings will be found below.

## THE PROCEEDINGS.

At a meeting of delegates from the counties of Chautauqua, Cattaraugus, Allegany, Steuben, Tioga, Broome, Chenango, Delaware, Otsego, Greene, Sullivan, Tompkins, and Seneca convened at the village of Owego, on the 20th day of Decem-

ber, 1831, George Morrell, of Otsego, was appointed President; Geo. McClure, of Steuben, James Pumpelly, of Tioga, and S. S. Haight, of Allegany, Vice-Presidents; D. G. Garnsey, of Chautauqua, Sherman Page, of Otsego, and John C. Clark, of Chenango, were appointed Secretaries.

The following-named gentlemen, on presenting their credentials, took their seats in the convention:

*Chautauqua County*.—D. G. Garnsey, R. P. Marvin, N. Hacoeks.

*Cattaraugus*.—F. S. Martin, C. J. Fox, G. A. Crooker.

*Allegany*.—S. S. Haight, D. McHenry, Philip Church.

*Steuben*.—Wm. S. Hubbell, J. E. Evans, John Cooper, Samuel Erwin, Samuel Besley, Edward Bacon, O. F. Marshall, Thomas Awtls, Wm. Lake, Geo. McClure, Z. A. Leland, Henry L. Arnold.

*Tioga*.—Wm. Maxwell, Lyman Covell, John G. McDowell, Isaac Shepard, Jas. Pumpelly, John H. Avery, Jonathan Platt, Stephen B. Leonard, E. S. Sweet, J. S. Paige, Charles Pumpelly, John R. Drake, L. A. Burrows.

*Broome*.—Horace Dresser, Davis C. Case, Theodore Pier-son, Virgil Whitney, Levi Dimick, H. C. Bacon, Vincent Whitney.

*Chenango*.—John C. Clark, John Newton, Dexter Newell, Ira Church, Robt. D. McEwen, E. W. Corbin, Willis Sherwood.

*Delaware*.—Benning Mann, Wm. Webster, Hugh Johnson, John Baxter, Andrew Parish.

*Otsego*.—Sherman Page, Isaac Hayes, Albert Benton, D. Lawrence, Wm. Angel, Peter Collier, E. R. Ford, Geo. Morrell, D. Hatch, S. D. Shaw.

*Sullivan*.—Randall Street, Platt Pelton.

*Greene*.—Wm. Seaman, Isaac Van Loan, Jas. G. Elliott.

*Tompkins*.—Henry Ackley, Jacob M. M'Cormick, Francis A. Bloodgood, Ebenezer Mack, Julius Ackley, Wm. R. Collins, Levi Leonard, W. A. Woodward, J. B. Gosman.

*Seneca*.—Scba Murphy, Jas. De Mott, C. Pratt, J. B. Farr, Nicoll Halsey, H. D. Barto.

T. B. Wakeman, Ira Clizbe, O. Besley, of the City of New York, by invitation, took seats in the convention.

The following resolution was adopted:

*Resolved*, That Messrs. Morrell and Woodcock, of Tompkins County, Avery and J. Pumpelly, of Tioga, delegates appointed at a Railroad Convention held at Binghamton on the 15th instant, to attend this convention, be admitted to seats in the same.

Mr. Burrows offered the following resolution, which was adopted:

*Resolved*, That a committee consisting of one delegate from each county represented in this convention be appointed to report resolutions for the consideration of the convention.

The committee was announced from the chair as follows:

Mr. Garnsey of Chautauqua, Crooker of Cattaraugus, Haight of Allegany, Leland of Steuben, Burrows of Tioga, Virgil Whitney of Broome, Clark of Chenango, Baxter of Delaware, Page of Otsego, Pelton of Sullivan, Seaman of Greene, Bloodgood of Tompkins, Halsey of Seneca, Wakeman of New York.

A communication addressed to the President of the Convention from Messrs. B. Robinson, E. Lord, Richard M. Lawrence, Robt. White, J. D. Beers, Wm. G. Buckner, Richard Ray, of the City of New York, on the subject of a railroad from Lake Erie to said city, was received, read, and referred to the above-named committee.

The committee appointed to consider and report to the convention the subjects which should particularly occupy their attention at the present meeting, respectfully report:

1st. That it is expedient that application be made to the Legislature of this State, at their ensuing session, for the incorporation of a company with the necessary privileges to construct a railroad from Lake Erie, commencing at some point between the mouth of Cattaraugus Creek and the line of Pennsylvania, and to run from thence, through the south-western tier of counties, by the way of the village of Owego to the Hudson River, or to connect with railroads already chartered, or otherwise, as may be deemed most advisable with a view to reach the city of New York by the best railroad with a capital of \$5,000,000.

2d. That a notice of the foregoing application, emanating from this convention, and signed by the officers thereof, be forthwith published in the public papers, as the law directs.

3d. That a committee consisting of five members be appointed to prepare and report to the convention a memorial to the Legislature, embracing the above-mentioned subjects.

4th. That Executive Committees be appointed in the several counties interested in this application, for the purpose of circulating and forwarding memorials, procuring the publication of notices, and doing such other things as may be necessary to forward the objects of this application.

5th. That a central corresponding committee be appointed and also committees of correspondence for each of the counties interested in this application.

All which is respectfully submitted,

D. G. GARNSEY, *Chairman*.

The following-named gentlemen were appointed a committee to draft the memorial to the Legislature:

Messrs. Burrows, Leonard, Drake, and Avery of Tioga, and Clark of Chenango.

The following-named gentlemen were appointed a corresponding committee:

Messrs. McClure of Steuben, J. Pumpelly of Tioga, V. Whitney of Broome, Clark of Chenango, Page of Otsego.

On motion of Mr. Page, the following resolution was adopted:

*Resolved*, That the central committee be authorized to publish the proceedings of this convention, and notice of application in all the counties immediately interested in this project, also in the cities of New York and Albany.

The following-named gentlemen were appointed executive and corresponding committees:

*Chautauqua County*.—H. H. Camp, — Sacket, W. Chester, T. A. Osborne, A. Diasou, J. Mullet, O. Tinker, O. M'Clure, J. Van Buren, S. A. Crum, Asa Gage, L. Crosby, D. Sherman, Solon Hall, E. Convers, S. Tiffany, A. Plumb, T. Campbell, J. Wait, D. G. Garnsey.

*Cattaraugus*.—S. N. Clark, H. Sexton, A. Gibbs, D. Backus, A. Mead, F. S. Martin, H. Beach, P. Spencer.

*Allegany*.—S. S. Haight, J. B. Cooley, B. F. Smead, D. McHenry, G. Miles, J. M'Call, M. Smith, J. Griffin, S. King, A. C. Hull.

*Steuben*.—H. Matthews, N. Besley, J. R. Gansevoort, R. Roby, C. Cook, T. Reynolds, J. Van Valkenburgh, P. Swart, H. L. Arnold, Dr. Hunter.

*Tioga*.—J. R. Drake, G. J. Pumpelly, L. A. Burrows, Thos. Farrington, J. Fay, Thos. Maxwell, S. Tuthill, G. B. Baldwin, T. North, C. Orwin.

*Broome*.—J. Whitney, T. Robinson, T. G. Waterman, C. Eldredge, G. Tompkins, P. Robinson, J. Hinds, jr., W. Seymour, B. B. Nichols, W. Whittemore, Judson Allen, John W. Harper, Robert Harper, Peter Robinson.

*Chenango*.—Geo. Welch, Silas A. Conkey, J. Latham, Rufus Phelps, W. Clark, Eleazar Fitch, Jas. G. Mersereau, C. Hoffman, L. Bigelow, M. G. Benjamin, R. D. McEwen, Ezra Corbin, Otis Loveland, Nathan Boynton, Dan. Stow, Ed. Connell, Rufus Chandler, O. Parker, Wiley Thomas, P. G. Burch, Elam Yale.

*Otsego*.—J. Hayes, D. Laurence, E. R. Ford, J. Goodyear, J. More, M. MacNamee, S. Crippen, M. M. Chamberlain, A. Morse, J. Bryant, C. Davidson, G. H. Noble, T. R. Austin.

*Delaware*.—N. Edgerton, J. Edgerton, A. Parrish, S. Gordon, V. P. Ogden, W. Cannon, S. Lusk, Sylvester Smith, Nathan Mann.

*Greene*.—A. Van Vechten, J. S. Day, Platt Adams, M. Watson, S. Fuller, W. Edwards, H. Gosler, Z. Platt, J. J. Brandow, S. Nichols, D. A. King.

*Schoharie*.—Thos. Lawyer, W. Mane.

*Ulster*.—Theron Skeele, J. Keirsted, J. Trumbour, John Suydam.

*Sullivan*.—John P. Jones, R. S. Street, A. C. Niven, H. Bennett, P. Pelton.

*Orange*.—G. D. Wickham, W. Walsh, Judge Seward, T. S. Fisk, Stacy Beaks, Abraham J. Cuddeback.

*Rockland*.—J. H. Pierson.

*New York*.—J. S. Talmadge, Nathan Weed, Silas Browne, Eleazar Lord, Ben De Forest, R. Riker, S. Swartwout, Jas. Lynch, Silas Stilwell, Arthur Bronson, R. G. Day, Silas E. Burrows, Josiah Hedden, B. Robinson, R. M. Lawrence, Robt. White, J. D. Beers, W. G. Buckner, Richard Ray.

*Tompkins*.—J. S. Beebee, S. B. Munn, jr., S. Marck, H. Powers, S. Love.

*Seneca*.—C. Pratt, P. De Mott, Seba Murphy, J. Maynard, W. R. Smith.

On motion of Mr. Burrows the following resolution was adopted:

*Resolved*, That the convention cordially approve of the application to the Legislature for the construction of a railroad from the village of Ithaca to the village of Geneva.

The thanks of the convention were voted to the President and officers for the able discharge of their duties.

GEO. MORRELL,	<i>President.</i>
GEO. M'CLURE,	} <i>Vice-Presidents.</i>
JAS. PUMPELLY,	
S. S. HAIGHT,	
S. PAGE,	} <i>Secretaries.</i>
D. G. GARNSEY,	
J. C. CLARK,	

Such is the plain official report of the Owego Convention, from which dates the birth of the Erie; but there is an unofficial side to the proceedings of that convention which demands recognition in this chronicle of Erie. The convention was held in the court house. Philip Church of Allegany County was chairman of it as it was originally organized. The sentiment of the convention was so much in favor of the application for charters for two separate corpo-

rations that a resolution favoring such a proceeding was likely to be adopted. This was so utterly opposed to the original idea of the Chautauqua County Convention, as proposed by Richard Marvin, and the ideas of Philip Church, and, as they believed, was destined to make the building of the railroad beyond Owego so exceedingly doubtful, that Mr. Church resigned as chairman of the convention and took no further part in its deliberations.

Some weeks prior to the meeting of the convention at Owego, Eleazar Lord had written to the corresponding committee of the original Jamestown Convention, in which letter he favored and recommended the two-corporation idea. The committee delegated Richard Marvin to reply to Mr. Lord's letter, which he did, making it as able and earnest as he was capable of making it, and insisting that the work must be undertaken as a whole, as one enterprise, and constructed by one company. Just before Philip Church resigned as chairman of the Owego Convention, and while the excitement over the probable outcome of the debate on the railroad question was at its height, a memorable incident occurred. It is thus described by Richard Marvin, who was a delegate to the convention:

"A prominent citizen of Owego came rushing into the convention, and handed to the President a letter addressed to 'The President of the Convention then in Session.' The President, Church, handed the letter to the clerk, and it was opened and read. It was from Eleazar Lord. It was brief. After regretting his inability to attend the convention, he then in few and emphatic words declared that the entire road to Lake Erie should be embraced in one charter, and be constructed as a whole by one company. The letter contained no argument. I understood then, and have always understood, that this letter was a response to the letter of our committee."

This letter was not from Eleazar Lord alone. It was also signed by such representative New York business men of that day as Richard M. Lawrence, William G. Buckner, Robert White, and Richard Ray. Mr. Lord, in his "Historical Review of the New York and Erie Railroad," records that the letter was a strong presentment in favor of a single charter.

George Morrell of Otsego County was chosen to the chair left vacant by the resignation of Philip Church, and the Lord letter was referred to the Committee on Resolutions. If it were not the arguments of that letter that brought about the result accomplished it would be difficult to surmise what the cause of the change in the sentiment of the committee could have been. After a long and hotly-contested struggle in that committee, the resolution quoted above was adopted, as follows:

*Resolved*, That it is expedient that application be made to the Legislature of this State at its ensuing session for the incorporation of a company with the necessary privileges to construct a railroad from Lake Erie, commencing at some point between the mouth of Cattaraugus Creek and the line of Pennsylvania and to run from thence to the Southwestern tier of counties by the way of the village of Owego to the Hudson River, or to connect with railroads already chartered or otherwise, as may be deemed advisable, with a view to reach the city of New York, by the best railroad route, with a capital of \$5,000,000.

This resolution met with a vigorous opposition in the convention, but was finally accepted as the sense of the meeting by a substantial majority. Just why the outcome did not satisfy Mr. Church and Mr. Marvin that the Owego Convention was not committed to the two-corporations plan it is now impossible to know, but, according to the Marvin reminiscences of the event in the archives of the Chautauqua Historical Society, such was the case, and it was only through strong personal appeals to Church by Marvin that the former was induced to take any further interest in the project. He yielded to these appeals, and went to New York to confer with Eleazar Lord and other New York capitalists on the

subject, with the result that Church was named as one of the incorporators of the company in the charter presented to the following session of the New York Legislature; the Church application framed at the Angelica Convention in October, 1831, being adopted by the memorialists instead of the one drafted at the Owego Convention.

The people of Broome County and that part of New York had been for a long time striving for the building of the Chenango Canal, and the influence of the strong feeling in favor of that project figured prominently in the discussion of the proposed railroad, especially at Binghamton—so much so, that on December 23, 1831, three days after the convention at Owego, at a public meeting held at Binghamton, one of the resolutions adopted was to the effect that “we feel a deep interest in the contemplated railroad, but we feel a deeper interest in the contemplated Chenango Canal, and consider its construction of paramount importance.”

An interesting reminiscence of those days of the Erie's origin is contained in a letter from Mrs. John Barker Church, a daughter-in-law of Philip Church, who, in the latter part of 1831, wrote to her father, Professor Silliman of Yale College, as follows: “Mr. Church goes to New York for the winter, endeavoring to make interest for the railroad, which is now a topic of much feeling throughout the country. If they get it, it will be indeed ‘annihilating all time and space.’ They talk most seriously of being able to go from Buffalo to New York in twenty-four hours! You may smile at this, but I assure you, it's all true.”

## CHAPTER III.

### ORGANIZING ERIE—1832 TO 1833.

An Unsatisfactory Charter—The Subscription Committee Thinks the United States Government Should Make a Survey for the Railroad—The Government Survey, the Erie Canal, and New York State Politics—President Andrew Jackson's Reason for Ordering the Government Survey Discontinued—"It Would Interfere with the Management of the Politics of New York State"—Redfield's Indignant Letter—The Survey through Rockland, Orange, and Sullivan Counties—The Original Subscribers to the Stock—The Charter Amended, and the New York and Erie Railroad Company Organized—Eleazar Lord the First President—The Original Board of Directors, which Comprised the Most Prominent of New York City's Business Men and Capitalists of that Day—The First Vice-President, Treasurer, and Counsel.

THE original draft of the charter for a company to build the proposed railroad was made by the Hon. John Duer of New York. In this the capital of the company was placed at \$10,000,000, and it was provided that after the subscribing of \$500,000 of that amount the company should have authority to organize. The old opposition to the construction of any means of transportation through the State of New York that might divert business from and lessen the commercial and political influence of the canal counties at once showed itself among the representatives of those counties, and the proposed charter for such a thoroughfare was so amended during the session that when a charter was at last granted by the Legislature, April 24, 1832, it was by no means a document calculated to further the interests of a great public improvement, for the completion of which a large portion of the population of New York State was appealing, and on which the enhancement of the material interests of a wide extent of the country at large depended. (Page 295, "Fighting Its Way.") As finally adopted, the charter fixed the capital of the company at \$10,000,000, but provided that it should all be subscribed and 5 per cent. of the subscriptions (\$500,000) paid in before a company should be organized; named as incorporators Samuel Swartwout, Stephen Whitney, Peter White, Cornelius Harsen, Eleazar Lord, Daniel LeRoy, William C. Redfield, Cornelius J. Blauvelt, Jeremiah H. Pierson, William Townsend, Egbert Jansen, Charles Borland, Abram M. Smith, Alpheus Dimmick, Randall S. Street, John P. Jones, George D. Wickham, Joseph Curtis, John

L. Gorham, Joshua Whitney, Christopher Eldridge, James McKinney, James Pumpelly, Charles Pumpelly, John R. Drake, Jonathan Platt, Luther Gere, Francis A. Bloodgood, Jeremiah S. Beebe, Ebenezer Mack, Ansel St. John, Andrew DeWitt Bruyn, Stephen Tuttle, Lyman Covell, Robert Covell, John Arnot, John Magee, William McCoy, William S. Hubbell, William Bauman, Arthur H. Erwin, Henry Brother, Philip Church, Samuel King, Walter Bowne, Morgan Lewis, William Paulding, Peter Lorillard, Isaac Lawrence, Jeromus Johnson, John Steward, Jr., Henry I. Wyckoff, Richard M. Lawrence, Gideon Lee, John P. Stagg, Nathaniel Weed, Hubert Van Wagenen, David Rogers, John Hone, John G. Coster, Goold Hoyt, Peter I. Nevius, Robert Buloid, Thomas R. Ronalds, John Haggerty, Elisha Riggs, Benjamin L. Swan, Grant B. Baldwin, William Maxwell, and Darius Bentley—representative men of the city of New York and of each county interested in the building of the railroad; provided for the construction of a double, single, or treble track railroad from New York, or some point near New York, through the Southern Tier, by way of Owego, to Lake Erie, the railroad to be begun within four years, and \$200,000 expended in construction within one year thereafter, one-quarter of the railroad to be completed and in operation within ten years from the date of the charter, one-half within fifteen years, the whole within twenty years, or the charter to be null and void; named a subscription committee of eighty persons, a majority of them living at a distance from New York City, where the headquarters

of the company were to be established, and provided that work should not be begun on a double track until the first one was completed between the Hudson River and Lake Erie, and passengers and freight had been carried over it.

The route of the road was not otherwise defined than that "it is to begin at the city of New York, or at such point in its vicinity as shall be most eligible and convenient therefor, and continue through the Southern Tier of counties, by way of Owego in Tioga County, to the shore of Lake Erie, at some eligible point between the Cattaraugus Creek and the Pennsylvania line." The company was restrained from making any connection with railroads in Pennsylvania or New Jersey, without the special permission of the Legislature.

At a meeting of the incorporators held at the Merchants' Exchange in New York, May 9, 1832, at which Philip Church presided, William C. Redfield being secretary, a committee consisting of Eleazar Lord, Walter Bowne, Morgan Lewis, William Paulding, Stephen Whitney, Peter Lorillard, Isaac Lawrence, Gideon Lee, John P. Stagg, Nathaniel Weed, William C. Redfield, Samuel Swartwout, and Richard M. Lawrence, was appointed to adopt the necessary measures for effecting a survey of the route "during the present season."

It was the sense of the meeting that it would be useless to solicit money to build a railroad the survey for the route of which had not even been made. It was also the opinion of many of the incorporators that, even if they procured money to pay for making a survey, it would be impossible to obtain the \$10,000,000 subscriptions and the amount of cash necessary to organize a company to act on the survey. But, on the ground that the proposed railroad would be a grand avenue for the quicker opening up of the public lands, a link in the chain of communication between the East and the West, and thus an undertaking tending to national benefit, it was resolved by the meeting that the General Government be appealed to and solicited to make the survey for the railroad.

To arouse interest in this proposition in the interior counties, the committee issued a call to all who were friendly to the proposed New York and

Erie Railroad to convene at Owego on June 4, 1832, and there take the subject under advisement. The assemblage was large and enthusiastic. Philip Church was chairman and J. R. Drake secretary. A committee consisting of J. R. Drake, J. H. Avery, and S. B. Leonard was appointed to correspond with the proper officers of the General Government in relation to the survey of the railroad route, and to solicit subscriptions for the object, and to create a fund to be appropriated in premiums for useful information respecting railroads and railroad machinery; that subject having also been brought before the convention—a circumstance in itself eloquent of the meagre practical knowledge pertaining to the matters in hand that the founders of the Erie possessed, and of the crude ideas of railroad construction that then prevailed.

The effort to raise money by subscription to pay for the survey failed, and it was at last resolved by the committee to ask that it be made at the public expense. This proposition was placed before the authorities at Washington. The subject of internal improvements at that time being a paramount one, President Jackson approved of the proposition, and in the latter part of June, 1832, an order was issued from the War Department for the making of the survey at the expense of the Government, the work to be in charge of Col. DeWitt Clinton, who had made the reconnoissance for the proposed Redfield railroad survey in the autumn of 1831. Colonel Clinton arrived at New York with four assistants soon afterward, and began preparations for carrying out his orders. On July 4, before he had completed his arrangements for beginning the survey, an order was issued from the War Department suspending the work unless its cost should be paid for by the New York and Erie Railroad Company or by private funds. This sudden change in the attitude of the Government was the first serious blow of the many the railroad project was to receive before the coming of the time when it should unite the ocean with the lakes.

It was announced that the work had been ordered discontinued because President Jackson's advisers had declared that there was no constitutional warrant for it; but, according to Eleazar Lord's reminis-

New York July 25 1832  
 Respected Friend

Being on the point of leaving town I have just time to inform you that the survey of our Railroad has just been suspended by order of the President of the United States. Thus we find that every thing which is calculated to promote the growth and prosperity of the Northern, Middle and Western States is vetoed by the Executive authority. If the citizens of Northern Pennsylvania & Southern New York understand this fact as they ought they will express their indignation to our Sovereign despot at the next election.

For the rest we must wait with resignation the progress of events more in favor of the Railroad — Yours in haste

Wm. C. Redfield

FACSIMILE OF LETTER FROM WILLIAM C. REDFIELD TO THE HON. SAMUEL PRESTON. ORIGINAL LOANED BY MISS ANN PRESTON, MIDDLETOWN, N. Y.

NEW YORK, July 25, 1832.

RESPECTED FRIEND: Being on the point of leaving town I have just time to inform you that the survey of our Railroad has just been suspended by order of the President of the United States. Thus we find that every thing which is calculated to promote the growth and prosperity of the Northern, Middle and Western States is vetoed by the Executive authority. If the citizens of Northern Pennsylvania and Southern New York understand this fact as they ought they will express their indignation to our Sovereign despot at the next election.

For the rest we must wait with resignation the progress of events more in favor of the Railroad. Yours in haste,  
 WM. C. REDFIELD.

cences, it was learned that politics and partisan influences had again conspired to obstruct the progress of the contemplated railroad through the Southern Tier of New York State. The President frankly said to a committee of the Erie incorporators that Colonel Clinton had been ordered not to proceed

with the survey at the public expense, at the request and on the representations of a then prominent Democratic politician of New York.

"This gentleman tells me," said the President, "that the building of this railroad would make a thoroughfare that would be a rival of the Erie Canal,

the effect of whose political patronage would be likely to be neutralized by the patronage of the railroad, the latter not being under State control, thus making it impossible to manage the politics of the State, so well as they are managed now; and, surely, as the gentleman says, that is of far more importance than the railroad to a State already amply provided with means of commercial transportation by its own canal."

(William C. Redfield, who, as we have seen, first brought the subject of such a railroad forward, and who had its interests greatly at heart, voiced the bitter disappointment that this act of the President brought to all friends of the infant project in the letter to the Hon. Samuel Preston on page 17.)

This unexpected darkening of the prospects of the New York and Erie Railroad at the very start was discouraging to the advocates of the enterprise. The New York and Erie Railroad Company could not defray the expenses for the survey for the proposed route for the very excellent reason that there was as yet no New York and Erie Railroad Company, nor could there be one until \$10,000,000 had been subscribed as its capital and \$500,000 of it paid in. That event was, under the circumstances, a great distance in the future. But the friends of the railroad did not lose heart. The counties to be benefited by the work were appealed to and asked to make up the necessary fund for the expenses of the survey through their respective territory by public subscription. The only counties that responded to the call were Rockland, Sullivan, and Orange.

The following letter will throw some light on the subject of this now long-forgotten Erie survey:

MONTICELLO, N. Y., September 28, 1832.

D. K. MINOR, 35 Wall St., New York.

Sir: It may be gratifying to the friends of the New York and Erie Railroad to learn that the survey of the route near this place was commenced last week under the direction of Col. DeWitt Clinton, and that it is proposed to continue the survey to the Hudson this fall. The first ten miles of the route proves very feasible. The surface is comparatively even, and a gradual descent towards the Delaware and Hudson Canal of from twenty to twenty-five feet per mile.

Respectfully yours,

J. P. JONES.

D. K. Minor was editor of the *New York American* and the *American Railroad Journal*. J. P. Jones

was State Senator John P. Jones, a power in Southern New York in those days.

To aid in paying the expenses of the survey, the United States Government furnishing the engineer corps, which was in charge of Colonel Clinton, the first subscriptions to Erie stock were made, October 18, 1832, as follows: Eleazar Lord, merchant, New York, 201 shares; Rufus L. Lord, merchant, New York, 420 shares; Michael Burnham, printer, New York, 101 shares; Richard M. Lawrence, merchant, New York, three shares; Jeremiah H. Pierson, manufacturer, Ramapo, N. Y., 151 shares; Josiah G. Pierson, manufacturer, Ramapo, N. Y., one share; Cornelius Goetchings, one share; Solomon Humphrey, one share; Daniel C. Heuring, one share; Thomas Ward, clerk, New York, one share. With the exception of the Goetchings, Humphrey, Heuring, and Ward subscriptions, on which 5 per cent. was paid, the subscribers paid in 10 per cent. on their subscriptions, the total cash received being \$9,880.

The survey through Rockland, Orange, and Sullivan counties was completed in the fall of 1832, and a report of it made to the Government and the company, which was the last ever heard of it, that being, however, a matter of no particular consequence, as it was of no use whatever to the furthering of the advancement of work on the New York and Erie Railroad.

The experiences of the Subscription Committee thus far in its efforts to get the great work in some tangible shape left no doubt in its mind that unless the Legislature could be induced to modify the charter in important particulars, and to grant other concessions, there would be no possible use of spending further time or labor in efforts toward forwarding the undertaking, even so far as the organizing of a company. To these ends, such modifications and concessions were asked for at the session of the New York Legislature for 1833. In the face of much opposition from the canal counties the charter was at last so changed that a subscription of only \$1,000,000 to the capital stock, instead of the entire \$10,000,000, was made obligatory before the company could organize, of which 10 per cent. must be paid in. The quorum of the Subscription Committee was also re-

duced to a number that could be readily obtained at any time.

With this amended charter, the committee went to work. Subscription books were opened pursuant to the following notice:

#### NEW YORK AND ERIE RAILROAD COMPANY.

*Notice.*—The Books for subscription to the capital stock of this company will be opened at the Merchants' Exchange in this city on the 9th, 10th and 11th days of July next, between the hours of twelve and two o'clock. One million dollars of the stock is required to be subscribed before the commencement of the work, in shares of one hundred dollars each, five dollars on each share to be paid at the time of subscription. Dated New York, 24th June, 1833.

#### COMMISSIONERS.

Morgan Lewis,	Goold Hoyt,
Gideon Lee,	Elisha Riggs,
Robert White,	Thomas T. Woodruff,
John G. Coster,	John Haggerty,
Stephen Whitney,	John Steward, jr.,
Hubert Van Wagenen,	Peter I. Nevius,
Isaac Lawrence,	Michael Burnham.

N. B.—Applications by letter to the Commissioners inclosing money or checks will be received as subscriptions.

The necessary subscriptions to the Erie stock were received by the commissioners on the days advertised, so that they were able to issue the call for the election of the first Board of Erie Directors as follows:

#### NOTICE OF ELECTION.—NEW YORK AND ERIE RAILROAD COMPANY.

One million dollars of the capital stock of this Company having been subscribed in conformity with the charter, the stockholders are hereby notified that an election for the choice of seventeen Directors of the said company will be held at the Merchants' Exchange on Friday, the 9th day of August next, under the inspection of the Commissioners as directed in the charter. The poll will open from 10 to 12 o'clock A. M. By order of the Commissioners.

NEW YORK, July 19, 1833.

The men selected as this original Board of Erie Directors were: Stephen Whitney, Peter Harmony, John Duer, Goold Hoyt, James Boorman, William G. Buckner, Elihu Townsend, Michael Burnham, Eleazar Lord, Samuel B. Ruggles, Benjamin Wright, D. N. Lord, of New York; Jeremiah H. Pierson, Cornelius J. Blauvelt, of Rockland County; George D. Wickham, of Orange County; Joshua Whitney, of Broome County; James Pumpelly, of Tioga County.

Eleazar Lord was elected the first President of Erie; Goold Hoyt, Vice-President; William G. Buckner, Treasurer; and John Duer, Counsel. The organization of the New York and Erie Railroad Company thus became a fact on August 9, 1833, although but 5 per cent. of the required subscriptions had been paid in, instead of 10 per cent., as the charter specified.

## CHAPTER IV.

### FIRST ADMINISTRATION OF ELEAZAR LORD—1833 TO 1835.

- I. FAINT-HEARTED BEGINNING: Bidding for Contributions and Donations — Opposition in the Western Counties — Philip Church's Protest — Demanding a Survey — State Aid Asked and Engineers Appointed. II. THE LONG-BOUGHT SURVEY: Report of Benjamin Wright, Engineer in Charge of the Survey of the Route for the New York and Erie Railroad — The Light it Throws on the Knowledge of the Science of Railroad Construction Sixty Years Ago — Queer Ideas, Suggestions, and Conclusions — The Route of the Railroad as then Laid Out, with Estimates of its Cost, and Amusing Calculations — Inclined Planes, Tunnels, and Careful Consideration of the Interests of the Canals — Yet that Survey, as a Whole, Stands To-day as a Striking Monument to the Engineering Genius of that Early Day.

#### I. FAINT-HEARTED BEGINNING.

ONE of the first suggestions that received the favorable consideration of the Board was made by Eleazar Lord, to the effect that before any of the Company's subscribed capital should be expended for other purposes, right of way and donations of land should be solicited from the people along the line of the proposed railroad. This action of the Board might have been prompted by motives that its members regarded as for the best interests of the Company and its work, but it was far from being one to inspire investors or others with any great degree of confidence in their wisdom or qualifications as practical business men, or in the sincerity of their professions of eagerness for the beginning and progress of the railroad work.

For a year or more it had been the plaint of the projectors of the railroad that they could do nothing until a survey of the route gave them something tangible to base their representations to the public on. The Government had been appealed to for aid in this respect, without success. The people of direct interest in the proposed work had ignored a like appeal. Yet nothing but a survey could avail as a starting point. The Legislature had come to their relief in so far as a modification of the charter served, and by that they had been able to call into their treasury \$50,000, and had organized a company. Under the circumstances it would naturally be supposed that they would have availed themselves of that ample fund, and proceeded without

delay to the ordering of a survey for a route for the desired railroad, and thus secured the tangible something on which to build their hopes of popular financial support. Instead of doing that, they immediately resolved to expend none of the money until right of way and donations of land from people along the line of the proposed railroad could be solicited, when, as a matter of fact, there was no "line of the proposed railroad," and could be none until one might be surveyed. It is by no means unreasonable to suspect that much of the opposition that was manifested against the efforts of the Erie founders to establish their project might have risen from the contemplation of this and subsequent shortsighted, foolhardy and inconsistent measures they and their early successors were responsible for.

In September, 1833, less than a month after the Company was organized, Eleazar Lord, "By order of the Board of Directors," issued an address to the people of the Western counties, in which he said:

We see no prospect of procuring means adequate to this great undertaking, but on the contrary are satisfied that they cannot be obtained; that is, that subscriptions to the stock of the company sufficient for the object will not be made, unless extensive and valuable donations of lands and money from the proprietors and inhabitants, on and near the route, are made to the company, constituting such a fund as to inspire the requisite confidence in the value and security of the stock, and to compensate the loss of income on the funds employed in the construction of the road, during the time occupied by the work, and perhaps for two or three years thereafter.

This circular also made plain the fact that the ultimate route of the railroad would be influenced by



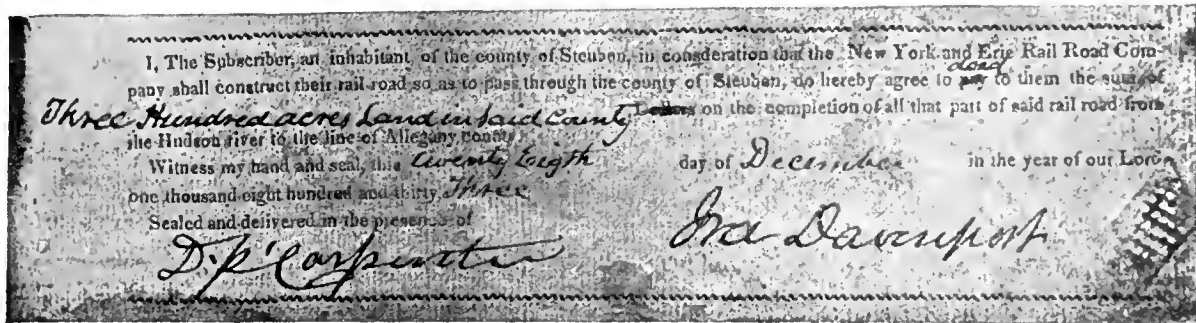
*Henry Lord*



such donations, and avowed that it was the determination of the Company to abandon the undertaking and relinquish the charter unless the requested donations were made. The cessions asked for were to be lands six rods in width along the route, and the same amount at each end of the railroad, with all the timber that might be thereon, as right of way, and as many acres of land in tracts as the donor saw fit; the larger the donation the better chance the donor would have, it was intimated, of seeing the railroad pass over or contiguous to his property.

The circular further stated that "if with the aid now solicited the stock should be deemed desirable on books being open for the capital, the donors of land and money might avail themselves of the op-

essential subscriptions to the stock of the company on the part of the State or of individuals, until preliminary steps have been taken to ascertain the capabilities of the route and the cost of construction. Application was also made at an early period of the session (1833) by the eastern corporators for amendments to the charter, \* \* \* asking a reduction of capital from ten to six millions, and permission to the company to organize and enter upon its operations on a subscription of \$500,000. The former part of the request was granted; the latter modified so as to require a subscription of \$1,000,000. This great reduction, united with the permission to commence and prosecute its object on subscriptions of small fractions of its capital, at the same time that it afforded facilities for its commencement, evidently would have brought into extreme jeopardy the completion of the railroad, or its continuation to any great proportions even of its extent. In order to preclude consequences so disastrous to the claims and the hope of the western residents of the Southern Tier of Counties, their immediate representatives procured to be incorporated into the amendment a clause requiring the whole route to be surveyed before any section thereof should be undertaken.



FACSIMILE OF FORM OF AGREEMENT ENCLOSED TO CITIZENS FOR THEIR SIGNATURES TO DONATIONS OF LAND OR MONEY.

portunity of subscribing for stock, reserving in their cessions and pledges the right to do so to a given amount, and thereby secure to themselves the advantage of whatever premium the stock might bear."

The citizens generally did not take kindly to these propositions, and those of Allegany County addressed the Legislature of 1834 in protesting terms on the subject. Petitions from Allegany County had been forwarded to the Legislature in 1833, asking for an appropriation for a survey of a route for the railroad, upon the confident reliance, should the survey prove favorable, that the State would grant aid to the project. In the petition of 1834 the petitioners, among them Philip Church, showed that they began to mistrust the purposes of the Company as organized, as these extracts from the petition show:

"It's [the railroad's] most ardent friends, and those who have the utmost confidence in its feasibility, cannot expect any

"The amendments granted at the request of the Eastern corporators gave rise to the expectation that the \$1,000,000 would be subscribed, the company organized, and a survey made, upon which, should it be favorable, might be founded an application to the State for assistance. During last summer the required sum was subscribed, 10 per cent. paid in and the company organized. The company being in funds, the inhabitants of the Southern Tier of Counties were anxiously expecting an immediate commencement of the survey. It was with no small degree of disappointment, about two months only subsequent to the above subscription, that we received this circular.

"Stock would not go to a premium unless they made the donations, and consequently any premium would be created by them, and they would only be getting a return of their donations, while the company, already owning \$1,000,000 of stock, would at the same time be raised to a premium by their donations. If they raised \$2,000,000 they would receive but two-thirds of the return of their donations, and one-third would be a gift to the company, for the purpose of enabling it to dispose of its \$1,000,000 stock at a premium and would most probably retard the work because the holders of \$3,000,000 of stock raised to a premium, merely by donations, would 'under such circumstances of probable occurrence,' be unwilling to call for further subscriptions that would permit

others to participate in a premium thus created and sustained. \* \* \* Their omission to begin the survey, and their positive declarations in their circular, indicate a positive determination to rout the charter by lapse in deferring the beginning of the work beyond April 24, 1836, as provided in the charter."

The petitioners asked the Legislature, therefore, for permission to withdraw their subscription to the stock, "a permission which, without doubt, they will readily embrace." They also asked the State to provide for a survey at the expense of the State, to an amount that would entitle the State to a majority of the directors of the Company, in order that the inhabitants of the whole line of the Southern Tier of counties might have an influence through them on the affairs of the Company. Another request they made was that the State should offer permission to those who might "give valuable information in reply to queries to be propounded in such manner as the Legislature may direct, seeking information in regard to the survey, construction, and use of railroads and railroad carriages and machinery."

The Holland Land Company, which owned whole townships in Allegany, Cattaraugus, and other Western New York counties, and the Pultney estate, which held vast areas in Steuben and adjoining counties, were among those that were asked to aid the building of the railroad by donations of land. The Pultney estate extended some aid in this way, but the Holland Land Company refused to do so. It offered to sell its land, however, at reduced prices, if the purchasers would pledge a portion of it to the Railroad Company. Acting on this suggestion, Eleazar Lord, Goold Hoyt, and Elihu Townsend, fellow-directors with Mr. Lord in the first Board of Erie Managers, purchased 500,000 acres of land in Allegany and Cattaraugus counties, and with others interested in the success of the railroad, 8,000 acres at and about Dunkirk, in Chautauqua County. Although Lord, Hoyt, and Townsend donated 50,000 acres of their land to the Railroad Company, on condition that the road should be completed in seven years, and the Dunkirk landowners contributed 2,000 acres on the same conditions, and others in counties through which the road was to pass made similar offerings, there were those, even among the friends

of the railroad, who could not help figuring on what the profit to the purchasers of those vast estates would be when the railroad should come along and open them to easy and convenient access by settlers. The pledges of land to the Railroad Company, however, would have been worth hundreds of thousands of dollars to its treasury if it could have fulfilled the conditions of the grant.

Beyond this nothing was accomplished toward the advancement of the undertaking so long discussed. Capital stood aloof from the project. There was a feeling abroad that the scheme was not one advocated in good faith, but as a cloak for speculation. Conventions of citizens of the various counties interested in the proposed thoroughfare were held during the early fall of 1833, and each appointed delegates to a general convention to be held at New York City November 20th of that year, to devise ways and means of furthering the great work. Gideon Lee of New York was chairman of that convention; George D. Wickham of Goshen, Orange County, and James Pumpelly of Owego, Tioga County, Vice-Presidents; W. W. McKay of Steuben County, and David Ruggles of Orange County, Secretaries. The result of the meeting was a series of resolutions asking the State of New York for a substantial subscription to the stock of the New York and Erie Railroad Company, a loan to aid the work, and for an appropriation of money sufficient to have a competent and complete survey made of the route for the proposed road. This was supplemented January 13, 1834, by a memorial from Eleazar Lord, as President of the Company, to the New York Legislature, in which he stated that \$1,000,000 had been subscribed, in conformity to the amended charter, and stating that, notwithstanding the great interest the people in New York City and in the Southern counties manifested in the work, the conditions were such that they could not assume "any considerable portion of the expense," and that pecuniary aid of the State was necessary to make the enterprise a success. The amount necessary to build and equip the road for business, he said, was \$6,000,000, and he petitioned for an advance of \$2,000,000 in a stock subscription by the State.

March 26, 1834, Messrs. Todd, Beardsley and

Parker, of the majority of the Assembly Committee on Railroads, reported on the application of the Company for aid. "To the knowledge of the committee," the report stated, "the State has never lent its credit or aid to any incorporation, except when individuals had shown their confidence in the work by subscribing and expending their own money to more than two-thirds of the cost of the whole construction. A company, then, which has not made even a survey of a route, must have a strong degree of assurance to come before the Legislature for its aid. \* \* \* It is said in the memorials that Legislative bounty is due to this enterprise because it passes through a range of secluded counties." The report scouted this idea because "before the Erie Canal was constructed the counties of Schoharie, Herkimer, Montgomery, and Otsego were not considered secluded counties, although they were a hundred miles from the cities of Albany and Troy, then the only marts of trade, \* \* \* while Utica, Ithaca, Rochester, Binghamton, Elmira, and other places had now become markets, through the construction of the canals, and occupied the same places in the commercial geography of the country that were once monopolized by Albany and Troy;" hence the committee could not see how any of the counties of the Southern Tier could justly call themselves secluded, "with the exception of the solitary counties of Delaware and Allegany. By the construction of the Delaware and Hudson Canal, toward the completion of which the credit of the State was loaned, and of the Erie Canal, the Cayuga and Seneca Canal, the Chemung and Crooked Lake Canals, and the Genesee feeder, canal navigation has been extended from the waters of the Delaware and Susquehanna to the Hudson, and, when the Chenango Canal shall be completed, to, through, or by the side of almost all the counties which have called themselves and still call themselves secluded counties. Chautauqua lies on the lake. Cattaraugus approaches within six miles of it. From Allegany County, on one side, it is about thirty miles to the head of Crooked Lake, on the other side about twenty-five miles to the navigable waters of the Genesee River. Steuben, Tioga, (Broome, when the Chenango Canal shall be completed), Ulster,

Orange, and Sullivan, all have canal navigation through them or within their borders. It is worthy of the sober consideration of the inhabitants of these counties whether they can longer maintain with truth and justice their claim as secluded counties. The Cayuga and Seneca Canal, the Crooked Lake and Chemung Canals have been constructed for their sake. Their cost, and the millions which must be expended under existing laws, without the prospect of their yielding a reasonable remuneration, have been appropriated to their claim of secluded counties, and yet the call has come up before the Legislature at this session with renewed volume."

The majority of the committee reported therefore that the prayer of the petitioners ought not to be granted. (Assembly Document No. 336, 1834.) The minority of the committee, Messrs. Shays and Coe, also made a report, and, after reviewing the difficulties to be overcome in building a railroad over the route proposed, and the various estimates of the cost of such a railroad, and comparing it disadvantageously with the Pennsylvania Railroad, said:

"Discarding estimates founded entirely on conjecture, and adhering to the practical results from the construction of these roads in Pennsylvania, 375 miles of the road in question, for a single track, will cost \$12,327,000. But it is apparent to your committee that this road, with a single track, and of so great length, cannot be advantageously employed for general transportation, nor in any manner accommodate the numerous villages through which it would pass, nor to any extent compete for or accommodate the trade and business of the great West. If constructed at all, it should, therefore, be constructed with a double track, and will in all reasonable propriety cost \$16,435,875. The surveys and level taken by the State Road Commissioners (1825), on different routes, through almost every section of the country through which this road is designed to pass, exhibit, it is believed, in a satisfactory manner, its great features and its general character, and, taking for a guide the actual cost of railroads designed for general transportation, it is believed that the Legislature may, without danger of error, determine that no further survey is necessary to enable them to decide that it is inexpedient on the part of the State to use its funds in the construction of this work." (Assembly Document No. 337, 1834.)

After weeks of warm discussion of the subject, the matter was recommitted to the Railroad Committee, which was instructed to report a bill authorizing a survey, the purpose being to enable the State to determine whether it would repeal the charter of the Company or build the road itself. Such a bill was reported and passed, appropriating \$15,000 for the

expenses of the work. The appropriation was utterly insufficient for the purpose, but Benjamin Wright, the engineer of the Erie Canal, came forward and consented to make the survey, not a thorough and scientifically complete one, but a survey that would show the chief difficulties to be met with in constructing the railroad.

Governor Marcy appointed Wright engineer to do the work, May 21, 1834. Wright selected James Seymour and Charles Ellet, Jr., as his aides. Pending this survey, the New York and Erie Railroad Company made a request for aid from the General Government. This was the asking of a grant of 2,000,000 acres of the public lands to be sold for the benefit of the Railroad Company, the condition of the grant being that the Company should carry the United States mails without further compensation for thirty years. Congress refused to grant the request. And that was the first time that the carrying of the mails by railroads was suggested in this country, and perhaps in any other.

## II. THE LONG-SOUGHT SURVEY.

When the original survey for the route of the New York and Erie Railroad was made in 1834, there was not a town between the Hudson and Lake Erie on the line of the proposed railroad with a population exceeding 3,000. Its starting-place was a marsh on the banks of the Hudson River, and it terminated at a rude village of less than 400 inhabitants on the shore of Lake Erie. Goshen, the first town of consequence on the route, had a population of 500. Middletown was not on the line of the original survey, nor was Port Jervis, which was then a straggling hamlet along the Delaware and Hudson Canal. Monticello, the county seat of Sullivan County, was a town then larger than Goshen. From Monticello until it reached the village of Deposit, the survey ran through an unbroken wilderness, with scarcely a score of settlements the entire distance. Deposit owed whatever of importance it had then to the lumber business of the Delaware Valley, and the question of a railroad was in nowise disturbing it. Susquehanna was not in existence,

and it never would have been in existence if the original survey had prevailed. Binghamton, owing to the prospect of the Chenango Canal, and the situation of the village at the junction of the Chenango and Susquehanna Rivers, had become a place of 2,000 inhabitants in 1834. Owego, the county seat of Tioga County, was but little more than a hamlet. Waverly was not in existence. Elmira was the metropolis of the Southern Tier, with a population of 3,000. Forests still covered the site of Corning, and between Painted Post and the village of Hornellsville the valley of the Canisteo was a wilderness broken here and there by lumber settlements. Hornellsville was a town of 300 inhabitants lying on the edge of a swamp. Westward across the steep barrier of the Alleghany Mountains were at intervals small villages in Allegany and Cattaraugus counties. The settlement of the most importance nearest to which the railroad was to approach, between Hornellsville and Lake Erie, was Jamestown, and that place it avoided by a distance of three and one-half miles, passing northwest through Chautauqua County to the hills overlooking the lake, down the wild slopes of which it dropped by two routes, one terminating at Dunkirk at the northwest, and one at Portland harbor at the southwest. The chief industry of the Delaware, Susquehanna, Canisteo, and Alleghany valleys sixty years ago was lumbering. The rivers were the channels by which the vast amount of lumber from the forests of the Southern Tier and the Pennsylvania counties adjoining reached the market. Hundreds of saw-mills manufactured their products, and upon various branches of the business the prosperity of that part of the country through which the railroad was projected depended. Even at this day, with all the modern appliances and advanced knowledge of railroad science at their command, few men would be found willing to invest their money and give their time to the development of a country of similar resources by the construction of a railroad of the magnitude of this pioneer railroad, projected when railroad building was in its earliest infancy.

Chief Engineer Wright made his report on the survey to the Secretary of State, in January, 1835, who submitted it to the Assembly, as follows:

STATE OF NEW YORK,  
SECRETARY'S OFFICE, ALBANY, *January 29, 1835.*

To the Speaker of the Assembly:

I have the honor to communicate herewith, in pursuance of the resolution of the Assembly of the 14th inst., the profile, map, and accompanying report of Benjamin Wright, of the survey of a railroad from New York to Lake Erie, made under the Act of 6th May, 1834.

I am, respectfully, your obedient servant,

JOHN A. DIX.

TO JOHN A. DIX, Esq., Secretary of State.

SIR: His Excellency, the Governor, having been pleased to appoint me to execute the survey, and make an estimate of the expense of a railroad, from "at or near the city of New York to Lake Erie," under the act of May 6th, 1834; which said act requires me to file the report, maps, profiles, and estimates in the office of the Secretary of State, in conformity to said act, I now present my report, maps, profiles, etc., to be filed in your office as the law directs; and beg leave hereby to report:

That, in undertaking the important and responsible duty of surveying the route of a railway communication from the Hudson River, near the city of New York, to Lake Erie, I deemed it essential to keep in view the great public objects sought to be obtained by the proposed work. It was obvious that the road was to be constructed not only for the accommodation of the inhabitants of the district immediately adjacent to the route, but also in order to furnish the means of a regular, rapid, and uninterrupted intercourse at nearly all seasons of the year, between the city of New York and the extensive and populous communities upon the western lakes and waters. The vast and acknowledged benefits which have been experienced throughout a great part of the State, and especially by its commercial emporium, from the construction of the Erie Canal, as well in the increase of population and wealth, as in the progress of agriculture and trade; the augmented value of lands, and the rapid and unexampled growth and creation of cities, towns, and villages along the route, had plainly proved that a thoroughfare running through the Southern Tier of Counties, and properly suited to their topographical character, could not fail to impart similar advantages to that important and valuable section of country, while the pressing necessity of establishing a channel of communication within this State, which should be open during nearly or quite the whole of the winter months, and thereby remedy the evils occasioned by its high, northern latitude, had not only been felt sensibly by the inhabitants of the metropolis, but had excited public attention throughout a great portion of the fertile and extensive regions upon the upper lakes, and in the valley of the Mississippi.

The long line of counties in our own State through which the road would pass, favored as they are with a healthful climate and an enterprising population, abounding in natural resources which the proposed work could not fail to develop, also possessed an additional importance in their peculiar topography; being intersected in numerous directions by important streams, leading into that section of the country from other parts of the State, and thereby furnishing striking facilities for connecting the proposed road with lateral branches capable of accommodating large masses of our population. Keeping, therefore, steadily in mind these general considerations, I deemed it an incumbent duty, in select-

ing the line of location for the proposed road, to obtain a route, which, as far as should be practicable, might combine: (1) Reasonable economy in its construction; (2) Rapidity and regularity of communication for passengers, light merchandise of value, and the public mail; (3) Cheapness of transportation for bulky commodities; (4) Facilities of connection with lateral branches; (5) The general accommodation of the inhabitants, and the development of the resources of the country along the route. And I considered it also necessary to take into view not only the present, but the prospective advantages of the route; and to arrange the graduation of the whole work in reference to such further additions and improvements as might hereafter become necessary, in order to accommodate a great increase of trade and transportation.

Being guided by these general outlines, I commenced the survey of the route on the 23d of May last, under the appointment which I received from his excellency the Governor on the 21st of that month.

The work was divided into two grand divisions; of which, the eastern, extending from the Hudson River to Binghamton, was under the direction of James Seymour, and the western, from Binghamton to Lake Erie, was placed under Charles Ellet, Jr., both acting as my assistants, and subject to my supervision. Those gentlemen, with my advice and approbation, each had two, and often three or four parties employed in explorations through the season. I take great pleasure in stating that the surveys thus committed to their care have been executed to my entire satisfaction and I refer to their reports and estimates as exhibiting the industry and skill with which their duties have been discharged.

I have personally inspected the lines surveyed nearly their whole length, and have particularly considered and examined every part of the route at which there could be any reasonable doubt or difficulty; and we have fully advised and compared opinions as to all prices estimated for the graduation of the work. It is possible, and I may say probable, that the shortness of time allowed for the completion of so long a line of survey in some instances not noticed by me, may have prevented our ascertaining the very best and cheapest routes, of which some portions of the country may have been capable; but I have become perfectly satisfied, from the lines already run and minutely measured, that a feasible route has been obtained, free from formidable difficulties, and capable of being completed with economy and dispatch. A more minute and careful exploration over some particular parts of the country will enable the engineer to adopt very considerable alterations and improvements at many points, both as to the graduation, and also the cost of the work.

The great object of securing rapidity and regularity of communication between the city of New York and the lake, being one of paramount importance, I have studiously sought to avoid the use of stationary steam power on inclined planes, as being productive of delay, danger, expense and difficulty, and in this respect have been so successful that, with the exception of one single plane, near Lake Erie, I have brought the whole line within the power of locomotive engines, drawing passenger cars, light merchandise, and the public mail. The steepest acclivity encountered on the whole line, with the exception before mentioned, will be only 100 feet per mile. And having been furnished with satisfactory evidence, that by recent improvements in the locomotive steam engines on the Baltimore and Ohio Railroad, they have been enabled to ascend the acclivity of 176 feet to the mile, drawing

between five and ten tons weight, I rely upon that fact in stating that locomotive steam engines may be advantageously used on the whole of the proposed route from the Hudson River to the head of the plane near Lake Erie; that they will be able to pass its steepest grades, drawing at least seventy or eighty passengers with their baggage, while upon at least nine-tenths of the whole route they will be able to propel very great burdens at a great rate of speed. In order, however, to obtain these easy grades of acclivity, I have been compelled to pursue by a serpentine line, the valleys of streams, and thereby lengthen very considerably the linear extent of the route.

The general face of the country is undulating, and marked by bold and prominent features: but nevertheless it is intersected by numerous rivers and their branches, which have a gentle descent and fortunately pursue the general direction necessary for the route much of the distance. It is this all-important and cardinal feature in the topography of the country, and the facilities which the valleys of these streams thus present for obtaining gentle ascents and descents, and moderate graduations, which will explain the reason why I have been able to find a cheap and easy route, without the aid of stationary steam power, through portions of the State which, to the eye of the passing traveler, crossing as he does the numerous hills which are traversed by the ordinary stage roads, would seem to present insuperable obstacles to the accomplishment of the proposed work. The route, instead of passing directly over, goes around the hills, and it has not been necessary to surmount any considerable acclivities except in three or four instances, in which the line crosses the natural boundaries of the great valleys, into which the route is topographically divided.

It is true that the departure from a straight line thus occasioned by following the winding of the water-courses, has considerably lengthened the whole route between New York and Lake Erie. But when it is considered that great rapidity of transportation and cheapness of construction have been thereby secured, and a greater portion of country accommodated; that the conformation of the country wholly forbade the adoption of any other route, more direct, without enormous expense, and that the circuitry of route will be comparatively less than that on the Pennsylvania canal, its deviation from a direct line will not be regarded as a formidable obstacle or objection. The natural boundaries of the valleys that are pursued by the route will serve to subdivide it into six grand divisions, to wit:

The first or Hudson River Division, extending seventy-three and a half miles from a point on the Hudson River twenty-four miles north of the City Hall of New York, to a point in the Deer Park Gap of the Shawangunk mountains, dividing the waters flowing into the Hudson from those flowing into the Delaware.

The second or Delaware Division, extending from the point last mentioned through the valleys of the Delaware and its tributaries, 115 miles to a summit twelve miles northwest of the village of Deposit, in Delaware County, dividing the waters of the Delaware from those of the Susquehanna.

The third or Susquehanna Division, extending from the point last mentioned through the valley of the Susquehanna and its tributaries, 163½ miles to a summit thirteen miles southwest of the village of Hornellsville, in the county of Steuben, dividing the waters of the Susquehanna from those of the Genesee.

The fourth or Genesee Division, extending from the point

last mentioned across the valley of the Genesee, thirty-seven miles to a summit three miles east of the village of Cuba, in Allegany County.

The fifth or Alleghany Division, extending along the valley of the Alleghany and its tributaries eighty-three miles to the head of the inclined plane, distant four or five miles from Lake Erie on a straight line.

The sixth or Lake Erie Division, embracing the short and rapid descent to the lake, including the inclined plane and the two branches, one to Portland, nine miles, and one to Dunkirk, eight and a half miles.

The only points where the rates of ascent exceed sixty feet per mile, will be found on the summits above specified, as forming the boundaries of the six grand divisions of the route. The acclivities in passing these summits are respectively as follows: One grade of 100 feet to the mile in passing from the Hudson River Division, down the west side of the Shawangunk mountain, into the Delaware Division; one of seventy feet and one of sixty-one feet to the mile, in passing from the Delaware Division to the Susquehanna Division; one of seventy feet and one of sixty-five feet to the mile, on crossing the ridge between the Susquehanna and its tributary, the Chenango River; and one of seventy-two feet to the mile in passing from the Susquehanna Division to the Genesee Division. I have no doubt that all these ascents and descents above specified may readily be surmounted by locomotive engines drawing passenger cars, light merchandise, and the mail. But in order to aid the passage of burthen cars, heavily loaded, it will be necessary to station, at the several points above specified, either auxiliary locomotive engines, as is practical on the Liverpool and Manchester Railroad, or an increase of animal power, as is used in passing the Parr Ridge, on the Baltimore and Ohio Road. That this can be effected without any material interruption or inconvenience, will be obvious when it is recollected that the western slope of the Parr Ridge, on the last mentioned road, has an ascent of no less than 253 feet to the mile, an acclivity nearly three times as great as the steepest grade on the proposed route; but that it is nevertheless surmounted at all times by burthen cars, heavily loaded, aided only by an increase of animal power. It will be borne in mind, also, that at least three-fourths of the heavy tonnage passing on this road, will descend eastward toward tide-water. The elevation of the head of the inclined plane near Lake Erie being 1303 feet above the Hudson River, the products of the western country, passing eastward, will necessarily descend 1303 feet more than they will ascend, and their passage will consequently be aided to that extent by their own gravitation. It is, however, by no means impossible that in the course of twenty years the great increase of the population and agricultural products of the interior, and the necessity of expediting their passage to market, may render it expedient and economical to adopt additional tracks, with a compound moving power, and grades reduced in all cases to thirty feet per mile, with stationary engines, operating on inclined planes and located at intermediate points along the road. In that event, the entire change might be effected along the whole line without altering more than thirty or forty miles of the road. And, although I do not believe that this change will ever be made, or become necessary, except in the event of so great an increase in trade as to make steady, uniform power the best; in which case I believe that stationary power applied on the present grades, would be found the best, and used as Messrs. Walker and Rastrick proposed, on the Liverpool and Man-

chester Road, as reciprocating power. I have thought it proper to state how far it would effect the graduation of the road to substitute planes and stationary power, and grades in other places of thirty feet per mile. The change of the place last mentioned would only apply to burthen cars, in any event, as passenger cars would be liable to less danger, trouble, and delay by using the locomotives or extra animal power to surmount the dividing ridges.

In making the survey and location, I have had lines of exploration made on various parts of the route in two or three different directions, and more particularly near the Hudson River, where four different routes to several landings were examined, and if the funds had held out to accomplish some further examinations in Rockland County, and time had permitted, I should have pursued still another line, and followed on the northern side and eastwardly side of the Hackensack River, so as to join the line which runs to the river at Tappan. Such a line ought to be explored before final location of the road through Rockland County.

Another part of the line in Orange County ought also to be noticed, as deserving of further examination. A strong and ardent desire to accommodate by passing in the immediate vicinity of so important a town as Goshen, and former examinations for a railroad having produced impressions favorable to that route, I had supposed it would prove the best ground, and therefore spent our labors upon it, and it was not until it was too late that we observed the formation of the country from near Chester through by Florida, and the practicability of passing the Wallkill near Pellett's Island and joining the present line some six or seven miles west of the Wallkill, that we supposed we could change from the route near Goshen.

This route requires an instrumental survey, but unless it proves greatly superior to that by Goshen, as now returned, the accommodation of so important a town ought to give it the preference. The route between the Wallkill and the Shawangunk mountain and a final location on this part, are intimately connected with the suggestion about the Florida route.

It has been proposed to cut open the top of Deer Park Gap, which is a deep depression of the Shawangunk mountain, about fifty feet at the highest point. This is done in order to reduce the grade upon each side, and particularly on the west side, to 100 feet per mile. The east side can be easily reduced to a grade of sixty feet for a short distance and then much less. I have looked at this point, and given it considerable thought, to determine what ought to be the present plan, in reference to future improvements, when the great increase of business on this road will demand every facility that the nature of the country will permit; and it has brought my mind to the conclusion that, before the lapse of twenty years after the completion of the road, a tunnel will be driven through the mountain, of about three-quarters of a mile in length, whereby its elevation would be so far reduced as to admit a grade of probably seventy-five to eighty feet on the west side, and about thirty on the east. As the acclivity of 100 feet to the mile on the west side of the mountain is the steepest grade encountered on the road, it has also appeared to me to be well worthy of consideration how far this ascent could be relieved by the adoption of an inclined plane with a stationary engine; believing that if it is admissible on any intermediate part of the route it might be employed at this point for the relief of the burthen cars to great advantage. The idea of the tunnel and the stationary engine, will, however, be matters of subsequent inquiry, and are now referred

to only as parts of an ultimate plan, proper to be borne in mind in the permanent location of the route.

The line as located then follows from the foot of Shawangunk mountain, by a high embankment, across the Valley of Bashe's Kill, and then crosses the Delaware and Hudson Canal without difficulty, and soon enters the valley of the Neversink River, which it follows to the mouth of a branch of the river, called the Sheldrake, and up that to its source; thence crossing the heads of the several branches of the Mongaup, it reaches the head of the Calicoon, a branch of the Delaware, which it follows to its junction with the latter river.

A route has also been surveyed down the Popacton, or Eastern Branch of the Delaware; and there are also several other routes through Sullivan County, which have been examined, and regular surveys carried over them. One route, passing near Monticello, which is the county town of Sullivan County, would on that account deserve a preference, if the facilities and advantages are nearly equal as to other points, such as grade and cheapness of construction; and although our surveys as we made them did not show as favorable a line by Monticello as by the other route, I think a further and more critical examination should be made through this district of country to find a route more favorable than we have yet seen; and, should this be the case, we should, I think, shorten the route some miles, and obtain the advantage of carrying it through a more populous and settled country. Although the route following up the Eastern or Popacton branch, and then the Beaverkill, and Willemock, and Little Beaverkill, has been regularly surveyed, and profiles of it returned, I however consider the route by the Calicoon to be so far preferable that I have not required my assistant to give me quantities on this route, and have not of course estimated it, but it can be done hereafter if necessary or useful.

In carrying the route of the railroad through the heart of Sullivan County, and thereby giving great and permanent advantages to a large district of country, capable of sustaining a considerable population, I will make this passing remark, that by passing down the valley of the Neversink, from the foot of the Shawangunk mountain, until I reached the valley of the Delaware River, and then passing up the Delaware to the mouth of the Calicoon, I might have found a route of much easier grade, and one which would not average over fifteen feet to the mile. But to that plan there are in my mind, serious objections: 1. It would be a more expensive line to grade, on account of its passing along steep side hills, with heavy ledges of rocks, requiring expensive rock excavations. 2. It would not accommodate or be very useful to Sullivan County, as the country along the bank of the Delaware is not generally favorable for cultivation. 3. It might come into collision with the Delaware and Hudson Canal, and perhaps divert some of its legitimate and fair business, and in construction it might interfere with that important and very useful work, for the execution of which its enterprising proprietors deserve to be gratefully considered.

The line then passes up the Delaware from the Calicoon to the village of Deposit, from which a lateral road may easily be extended into the heart of Delaware County. The route then crosses by a bridge the Main or Mohawk Branch of the Delaware, and thence follows up the Oquago Creek to its source, on the route towards Bettsburgh; from whence it descends to the Susquehanna and, passing that river near Ninevah, follows up the valley of Belden Brook to its source and,

then, taking the head waters of Page Brook follows that down to the Chenango, and then down the Chenango to Binghamton or its vicinity. Several routes have been examined between the Delaware River at Deposit and the Chenango at Binghamton; and lines were run on the most favorable ground, on a nearly direct course between Deposit and Windsor, on the Susquehanna, and between Windsor and Binghamton, from the Susquehanna to the Chenango. Both these summits, however, proved to be considerably higher than those on the route chosen; and they cannot be overcome but by stationary steam power. After having attentively examined these routes, I am decidedly of opinion that the northern route by Bettsburgh and by Ninevah and by Page Brook, ought to be adopted. That route, moreover, will possess a local advantage of peculiar value in the facilities it will give to various branch railroads leading into the populous and wealthy sections of the State, along the valleys of the Upper Susquehanna, the Unadilla, and Onondaga branch of the Chenango, and thus accommodating the counties of Otsego, Chenango, and Cortland, and parts of the adjacent counties.

When the line came near the mouth of Page Brook on the Chenango, it became a question to determine which side of the Chenango we should pass down to near its mouth; a desire to approach near and even pass into the growing and important village of Binghamton, determined me to have the survey made on the east side; but, ascertaining that the Chenango Canal had not then been finally located, I directed a survey on the west side also, and to pass the river near the mouth of Page Brook. This part of the line I do not consider as settled; neither can it be finally determined until the canal is nearly completed. When that shall be done, we can see if there is a fair chance of carrying our railroad on the upper side at reasonable expense. And, should this be the case, a preference ought to be given to the east side of the Chenango, so as to approach near to Binghamton, and pass over the river near the upper part of that village.

From the Chenango River the route in following down the Susquehanna valley about forty miles passes through the flourishing village of Owego, where it will become connected with the steamboat line now in preparation for navigating the Susquehanna, and also with the Owego and Ithaca railroad, which will connect the main line with the important and fertile section of the State adjacent to the Cayuga and Seneca Lakes. After descending for forty miles along the east branch of the Susquehanna, we approach near the Pennsylvania line north of Tioga River (being a large branch of the Susquehanna) and pass up its valley by Elmira, Big Flats, and Painted Post, to the forks of the Conhocton and the Canisteo; and then, following up the Canisteo to its source, we pass Hornellsville, Almond, and over the summit, between the waters falling into the Susquehanna and the waters of the Genesee River. Of nearly 130 miles on the route between the point where we leave the valley of Page Brook and near Almond the grades are all extremely easy and favorable, or can be made so.

From near Almond, on going on westward, we pass the dividing ridge, where we have for the present made our grade line seventy-two feet per mile; but which can be somewhat relieved. And passing down Dike Creek, we fall into the valley of the Genesee River, and run down that a few miles, and then up the valley of Van Campen's Brook through the villages of Friendship and Cuba, until we take the valley of Oil Creek, then down that to its junction with Ischua Creek, and down the valley of Olean Creek to the Alleghany River. Through this district from the summit between the waters

of the Susquehanna and Genesee, and the waters of Genesee and Alleghany, we have some grades which reach fifty feet per mile, as the line is now run; but it is believed that considerable improvement will be made in this part on a revision of the line.

Having reached the valley of the Alleghany, we pass down it about twenty-six miles, over excellent ground, generally, to the Indian village, near the Cold Spring Creek. There, leaving the Alleghany, we pass up the valley of the Cold Spring and over a small swell of land, and descend into the valley of the Little Conewango (a branch of the Large Conewango), and passing down that stream and the large Conewango, through the village of Randolph in Cattaraugus County, and the village of Waterboro and Kennedyville, in Chautauqua County, following down the valley of the Great Conewango to the Casadaga branch, and up that to its junction with Chautauqua outlet; we then follow up the Casadaga valley to Bear Creek, and up that to near Bear Lake. Here we arrive at the dividing point between the waters which run southerly into the Alleghany, and those which run northerly into Lake Erie. At this point, we are only about five miles in a direct line from Lake Erie and 740 feet above it. And here is a place where we find ground favorable to descend by one plane 506 feet in a distance of about one and a half miles. At the foot of this plane we find ourselves nearly equidistant from Dunkirk and Portland.

At Dunkirk the Government of the United States have expended considerable money in the construction of a harbor and are preparing to expend more. At Portland there has been no money expended, except by individuals. The Government of the United States have had a regular survey and estimate of cost, to make a harbor. It is said that the cost of making a harbor, upon the plans reported by Captain Maurice, of Portland, would be \$40,000.

A route was surveyed from Randolph, in the County of Cattaraugus, up the valley of the Great Conewango to its source, and then striking off toward Dunkirk. This route was tried in order to find a more direct and shorter course to Dunkirk, or to Fayette, at the mouth of Silver Creek. This latter plan has claims for its natural advantages for a harbor, and probably will receive attention at a future day.

In running the line to the head of the Conewango, and from thence beginning to descend the declivity towards Lake Erie, I was in hopes of finding ground favorable for descending at fifty or sixty feet per mile, and reaching Dunkirk by that grade and thereby doing away with the necessity of stationary steam power and inclined planes, but I found the whole face of the country so cut by gulfs, and intersected by ridges, that I was defeated in my project and abandoned it. The plan appears to me to deserve further exploration before a final decision. I had also lines of survey run on each side of the Chautauqua Lake, and thence to Portland.

In selecting the Casadaga route, I have considered the advantages of passing through the centre of the County of Chautauqua, and approaching within about three and a half miles of Jamestown, at present the largest of all the towns in this valuable country. Its approximation also to the harbors of Dunkirk and Portland tends to entitle it to a preference; while the strong probability that improvements will soon be made in the Alleghany River, so as to render it at all times navigable for steamboats, and the fact that it may now be navigated during a considerable period in the spring, render it desirable to continue the route as far as practicable, down the valley of the stream, and thereby facilitate the direct com-

munication between the city of New York and the great valley of the Ohio. And it ought also to be borne in mind that the construction of the road as far as this point will go far to insure its continuation through the Western States to the Mississippi River; in which event, the great western branch would have the main line near the mouth of the Casadaga Creek.

The total amount of the linear extent from the Hudson River to Lake Erie will be 483 miles; which distance may, however, be shortened from ten to fifteen miles by alterations in the route which may be found desirable upon a further survey. The curves upon the road are generally easy, none of them having less than five hundred feet radius. The graduation of the road has been estimated throughout for a double track, including embankments in all cases of solid earth, and embracing all necessary bridges, viaducts, and culverts, together with the expense of grubbing and fencing; comprehending, in fact, the whole cost of the road, except that of the superstructure, and of the damages (if any) to be paid for the land to be taken.

According to the report of Mr. Seymour, the expense of graduation thus estimated for the  $222\frac{3}{4}$  miles between the Hudson River and Binghamton, will amount to \$1,551,982, being \$6,968 10-100 per mile. And according to the report and estimate of Mr. Ellet, the expense of graduation thus estimated for the  $260\frac{1}{4}$  miles, will be \$1,165,536, being \$4,478 51-100 per mile. Total graduation for the 483 miles, \$2,717,518, or \$5,626 33-100 per mile, including fencing, clearing in timber land 100 feet on each side (to prevent trees falling on the road) and also bridges over rivers, viaducts, culverts, road crossings, etc., etc.

Cost of Grading as above.....	\$2,717,518 00
Add 10 per cent. for contingencies.....	271,751 00
	<hr/>
	\$2,989,269 00

The cutting and embankments are all twenty-five feet wide, and the slopes of the embankment are one and a half base to one perpendicular. This I consider as a permanent and solid form, and calculated for stability. The expense of superstructure will vary according to the particular plan which shall be adopted.

I have caused cross sections of several different roads now completed to be drawn, and have also drawn some which I think well adapted to the country through which the road will pass, for 400 miles, if a wood and iron road is adopted. (Mr. Wright here refers to two of these roads, one of which "if built of yellow pine and oak, or chestnut, will cost, in Orange or Rockland, about \$2,830 per mile," and the other "will cost about \$3,400 per mile.") Such as the Camden and Amboy, and the Columbia and Philadelphia road, cost ten to twelve thousand dollars per mile. The Petersburg and Roanoke cost about \$2,600 per mile, as I have been informed. These are all for a single track, with one turnout or siding to each mile.

Brought forward.....	\$2,989,269 00
If the sum of \$3,400 per mile be taken, it amounts	
to.....	1,642,200 00
Add for engineer, etc., 3 per cent. on \$4,359,788..	130,791 00
	<hr/>
	\$4,762,260 00

This sum will grade and bridge over rivers the whole road

for two tracks, and put down one track, which is all that ought to be done until the road is traveled nearly its whole length; and this also includes the inclined plane and steam power to operate upon it, and also a long and expensive wharf into the Hudson River. These estimates are, in my opinion, liberal, and such as will make an excellent road; and, as I have before observed, there are many places where a great reduction might be made in the expense, by a small alteration of the grade. There are also very great reductions which may be made in the outlay of capital, in the construction of this road, by making timber work, in many places, where I have made calculations of earth embankments. There is no doubt that when a final location of a working line shall be made, the engineer will be able to make small variations in the line which would very greatly reduce the expense. I make these remarks to show that there is no doubt in my mind of the estimate being amply sufficient for grading the road.

The bridges over the large rivers I have also estimated higher than they will cost, if only built without regard to roofing, or otherwise protecting them from the weather. I have considered and planned these bridges to be only sixteen or eighteen feet wide, and so formed as to have a double track over them, but that so fixed that loaded trains of cars cannot pass each other on these large bridges. I did not think so much weight as two trains of loaded cars passing different ways ought to be permitted to pass on a bridge at the same time. It would perhaps bring fifty tons or more on it at the same moment, which is improper, unless in one long, extended train.

I have also estimated one turnout or siding to each mile. If locomotive power is used on the long easy grades before mentioned, these turnouts ought to be dispensed with, and only placed at every five or ten miles, as they are found extremely troublesome where locomotive power is used, owing to carelessness and inattention in leaving them open when they ought to be shut. I find that on railroads now in use, the test of experience has shown it necessary to take up turnouts, which had been placed every mile, and only place them once in ten miles, and that at the water stations for the locomotives; and in this case the man who attends the water stations sees to the turnout being in its place, whenever the cars are coming in sight.

In making the estimate I have put down the item of fencing, and also clearing away the timber on each side of the railroad for 100 feet wide, to prevent trees falling on the road. These items are of that kind that in many instances there may be arrangements with the owners of property to save some part of the estimated cost. I have said that water stations, where locomotive engines are used, are generally about ten miles apart; this is the case on some roads; on others these stations are twelve miles and more distant. This is regulated by the capacity of the water cars or tanks carried by each locomotive. The country through which we pass is admirably adapted to furnish water convenient and cheap. The springs in the sides of hills are elevated above our road, so that it will only be necessary to introduce some aqueduct logs, and bring the water to the proper elevation required.

In the reports of railroads which have been constructed and now in use, the heavy and expensive items for pounded stone which has been used to fill up trenches has added very greatly to the expense. Experience has, however, satisfied most of the practical engineers that the road does not stand as well when laid on broken stone as when laid on planks

or timber. And the estimates have been made upon the latter plan. It is true that almost everywhere along the line of the proposed road there is small flat stone gravel or sand; and when the plank or scantling are laid in trenches, the small flat stone may be thrown in and rammed down, and they operate as drains to cast off the water from under these timbers into the side drains; and these being properly prepared to take away all water in them the bed of the road will be kept dry and solid.

Although the appearance of the road as now located is circuitous, the curves have all more than 500 feet radius as we have run the lines, and probably in making a final location of the line it will be found that the boldest curve need not be less than 600 feet radius. These are easier curves than some made on important roads now in use in the United States. And I do not consider that any difficulties can or will arise in the locomotive engines turning them.

The report of the assistant engineer on the eastern division shows two routes from the town of Liberty, in the County of Sullivan, to Shohockton, and the junction of the Papacton or East Branch of the Delaware with the North or Mohawk Branch in Delaware County.

I have before observed that the route down the Calicoon was preferred, because it had less difficulty of ascent; and that the Beaverkill route would have one inclined plane near Young's Gap. This route by the Beaverkill is, however, nearly nine miles shorter than the Calicoon route; and, admitting that the tunnels are made, instead of going around the bend at Hawk and Sprague mountains, then the distance would be still further shortened three miles at least, making twelve miles in the whole. Still, it appearing on a comparison that the saving in ascent and descent, amounting to something more than 300 feet; the easier grading on the Calicoon route, and the easier curves both on the Calicoon and Delaware than on Beaverkill route, decided my mind in favor of the Calicoon, although an increased distance.

The law under which the survey was made provides that it shall commence at the city of New York, or its vicinity, or at such point as is most eligible and convenient. The point on the Hudson River where the road would strike it being still subject to further revision, and knowing that no great difficulties could arise in locating the road through the county of Westchester, the want of time and funds prevented my effecting this survey. Considerations of policy would require this piece to be delayed until the other parts should be in great forwardness, and then it would be made without doubt.

All which is respectfully submitted.

BENJ. WRIGHT,

Engineer N. Y. and Erie Railroad.

NEW YORK, *January 20, 1835.*

The field corps engaged in this original survey for the New York and Erie Railroad consisted of George C. Miller and R. S. Van Rensselaer, heads of parties; Thomas L. Ogden, Jr., Philip Church, Jr., D. G. Kennedy, D. E. Bishop, J. W. Ingersoll, F. Nicholson, William Schlatter, Charles S. Schlatter, C. L. Seymour, W. B. Gilbert, Charles O. Sanford.

The reports of Chief Engineer Wright's assistants, Seymour and Ellet, were largely technical, embrac-

ing scientific discourses on inclined planes and abstruse algebraic demonstrations of power, etc. The remarks of Engineer Ellet on the possibilities of operating the proposed inclined plane, without which it was thought Lake Erie could not be reached as the western terminus of the road, and his recommendation as to the management and economizing of locomotive power in raising other elevations on the Western Division, cannot but be provocative of amusement in these later days of railroad construction and operation. Mr. Ellet said:

"As there are always some articles, such as lumber and certain produce, which may be retained at the head of the plane to be employed as occasion requires, to assist in the elevation of the ascending cars, it would not be proper to neglect entirely the assistance to be derived from this source. We cannot hope to regulate the times of the arrival and departure of the trains moving in either direction, so as to obtain the full advantage of the descending loads; nor can we fix upon any amount of tonnage that may be commanded at all times, without interfering with the regular transit, to accomplish, in part, this object, unless we assume an amount far below that which must actually pass. Yet I think if we can predicate our calculations on the supposition that the weight which may be retained at the head of the plane for this purpose, together with that which may accidentally arrive at the proper moment to be so employed, is barely sufficient to overcome all the friction both of the cars and machinery, we shall not be disappointed in practice. But I would not wish to be understood to recommend a reliance upon such assistance in general, when arranging the machinery of stationary engines, for, in most cases, this aid would be fortuitous and attended with such uncertainty as to render any dependence upon it extremely hazardous; and it is only because of the peculiar situation of the present plane that it is deemed proper to advise it.

"No inconvenience need result from the necessity of occasionally letting down a few cars at a time; since no delay will occur at the foot of the plane for want of power to convey them through the next stage; the descent from this point to the harbors of Dunkirk and Portland being more than sufficient to overcome the friction. For the same reason it would not be necessary for the engine, which had drawn the load to the head of the plane, proceeding with it beyond this point; so that the stationary engine would always be relieved of the weight of the locomotive and its convoy, which it is not intended to cause to pass the plane. Twenty-five tons may be considered a sufficient load for a locomotive engine of six tons weight to draw from the lake to the foot of the ascent, where some of the grades exceed thirty-two feet per mile; and this, too, may be deemed a sufficient load for an engine of the same power to move onward from the head of the plane, where none of the grades exceed twenty feet per mile.

"There is one point between the Little Connewango and the Alleghany River where the grade is forty-four feet per mile, and an engine, under very unfavorable circumstances, would be unable to overcome this height with such trains as

it would be found convenient to load it on other parts of the line. I have no doubt of the perfect practicability of reducing this inclination very much, but even in its present state it can present no serious obstacle, since it can rarely happen that the extraordinary load and most unfavorable situation of the road will occur at the same time. For if the load be found to be less than might be taken with the greatest advantage, it may always be increased along the line of the road by the travel, lumber and produce of the country.

"We may, therefore, calculate the power of the engine on the supposition that the gross weight to be raised is twenty-five tons, and the friction is destroyed by the descending load. We may suppose the velocity is twelve miles per hour, so that, if it should hereafter be found desirable to increase the loads, it may be done by changing the gearing so as to diminish the velocity of ascent, and augment the force of the machinery. Or, making due allowance for extra power, we may consider two engines of sixty horse-power sufficient for this plane. The probability is that this will be eventually found insufficient for the accommodation of the trade, and that it will be necessary to construct another plane to assist in overcoming this ridge. This will not be necessary, however, until the trade exceeds 400 tons per diem in each direction; when, and sooner, perhaps, a double track from the lake to the Hudson will have become indispensable.

"On a line of such great length it will be necessary to place extra locomotives at intervals along the route, to be employed in case of accident to those forming a part of the regular system, or to replace them whenever, from any cause, it be found requisite to withdraw one. At some of the positions where these engines of relief will be required, a machine shop will be established for the repair of disabled cars and locomotives, and at which the trains will generally halt for the convoy carriage to receive its supply of water and fuel. Let us suppose one of these establishments to be located at the village of Almond on the Caneadea, where the locomotive which had drawn the train up the valley of the Canisteo would begin to require assistance. Now, even were the line perfectly level, it would be necessary to have engines in waiting at certain points to relieve their predecessor and draw the load through the next stage; and we may place one at this station, as well as any other. Suppose, then, an engine of six tons weight arrives with a load of twenty-two tons at the end of this stage. My present remarks are intended to show the arrangement where the combination of difficulties is the greatest. In general, the train brought to this point by such an engine, need not be less than fifty tons. If there then be an engine of eight tons attached to it, the two together will be able to ascend a grade of seventy-two feet to the mile, without diminishing the load, and without any slipping of the wheels under the most unfavorable circumstances. On arriving at the summit, the lighter engine will be detached, and the other will be able to surmount unaided the steepest ascents that occur between this point and the village of Cuba. The distance from the village of Almond to this place, by the line of the railroad, is forty-five miles; and here I would propose establishing another station for changing the engines, and keeping power in reserve. At this point, the engine of

eight tons would be disengaged, and a lighter one substituted in its place. When the next train traveling from the west to the east arrives, it will have to commence at this place (Cuba), ascending a grade rising at the rate of fifty feet per mile. If the load do not exceed forty-five or fifty tons the heavy engine which is here attached would generally be able to carry it through; and, if it do not exceed twenty tons, it will still be able to accomplish the task, whatever be the situation of the rails. But should it be greater than these amounts, the engine which brought the train to the foot of the ascent must assist in raising it to the summit, and afterwards return to its place.

"This arrangement, I will repeat, does not involve us in any additional expense, excepting at those times when the condition of the road renders necessary the assistance of the second engine, for these stations and these engines of relief will be required whether such ascents are to be encountered or not. We only change their location in consequence of these impediments, from that which might, in the contrary event, be selected as preferable."

Before the railroad was built many changes were made in that original route, as will appear as this narrative progresses, but, although a railroad built according to the plans and over the route provided in 1834 would have been one utterly impossible of practical utilization, that survey stands to-day a wonderful exhibit of genius in railroad engineering, and shows an originality of thought, and a peculiar application of scientific principles to a work then almost unknown to the engineering world—an application which established a precedent for all future engineering of that kind.

It is a matter to be deeply regretted that the maps and profiles of this survey, and the many plans for roadbed, superstructure, railroad machinery, etc., prepared and submitted with the reports, and which would be of inestimable historic value now, cannot be found in any of the public departments of the State of New York at Albany. There is no record of them after they were sent to the Legislature by Secretary of State Dix in January, 1835. This is also true of the Articles of Incorporation of the New York and Erie Railroad Company. This document is not in the office of the Secretary of State, where it should have been deposited, according to law, nor is there any record of its ever having been in that office.

## CHAPTER V.

### ADMINISTRATION OF JAMES GORE KING—1835 TO 1839.

I. MAKING A START: Eleazar Lord Resigns and is Succeeded by James Gore King—State Aid Asked for Unsuccessfully—The Company Arouses to Action—Ground Broken for the Railroad and Contracts for Grading Let—First Official Report of the Company. II. TRYING TO KEEP GOING: Petition for Legislative Aid Renewed—Bitterly Opposed, but a Bill Authorizing \$3,000,000 of State Stock Passed—Hailed with Rejoicing, but Proves to be a Hindrance rather than a Help—President King Appeals to his Friends—They are Enthusiastic in Efforts to Build the Railroad with Somebody Else's Money—Legislature Refuses Aid. III. CROSS PURPOSES: Eleazar Lord Appears with a Plan—Why the Broad Gauge was Adopted—President King, Absent in Europe, Returns and Does not Indorse Lord's Plan—King's Policy is to Make the Railroad a State Work—A Bill for that Purpose Defeated by only One Vote—President King Resigns.

#### I. MAKING A START.

THE survey of the route for the great railroad had been made, but it was not claimed to be one on which the entire route was to be located. There was still much to be done before the final location and beginning of the working of construction could be accomplished. The result of Eleazar Lord's management of the preliminary construction affairs of the Company had not met with the entire approval of some members of the Board of Directors and certain friends of the contemplated railroad in New York City and interior counties, and being unable to restore harmony, he resigned the office in January, 1835. At a meeting of the Board of Directors, February 4 following, James Gore King was elected to succeed him, and the thanks of the Board and of the stockholders were voted to the retiring President for "the great ability and disinterested zeal with which he has discharged the duties of that office." It was also resolved by the Board that "the funds of the Company, in the hands of Messrs. Prime, Ward & King, consisting of the full amount of the first instalment of 10,000 shares of the stock, subscribed July, 1833, be deposited until otherwise ordered with the New York Life Insurance and Trust Company, subject to the joint order of the President and Vice-President." This was done because the new President was a member of the banking house of Prime, Ward & King, which house occupied in that day a position in the finan-

cial world not unlike that of the house of J. P. Morgan & Co. of to-day.

On the resignation of Mr. Lord as President, Goold Hoyt retired from the Vice-Presidency. Mr. Lord was unanimously elected to succeed him, and was also elected Treasurer in place of William G. Buckner, who resigned office and from the Directory. Three others of the old Board retired, and Peter G. Stuyvesant, John G. Coster, John Rathbone, Jr., all of New York, and Jeremiah H. Piereson of Ramapo, were elected to their places. With these gentlemen were associated the following in the Board: James G. King, Eleazar Lord, John Duer, Peter Harmony, Goold Hoyt, James Boorman, Michael Burnham, Samuel B. Ruggles, Elihu Townsend, Stephen Whitney, J. G. Pearson, George D. Wickham (of Goshen), and Joshua Whitney (of Binghamton).

One of the first acts of the new management was to seek legislation for State aid. The bill presented to the Legislature at the session of 1835 was drawn to authorize the Comptroller of the State to issue and deliver to the Company certificates of stock to the amount of \$500,000 upon the first expenditure by the Company of \$1,000,000 in constructing the road, bearing interest at  $4\frac{1}{2}$  per cent., payable semi-annually; also the same amount of stock upon every expenditure of an additional \$1,000,000, provided that such State stock should not exceed \$2,000,000; the road and its appurtenances to be mortgaged to the State as security for the payment of the princi-



*James G. Thompson*



pal and interest of the money for which such stock was issued.

This aid was asked for on the plea that it would insure the completion of the railroad, and was based on the report made by Engineer Benjamin Wright, that the railroad could be completed, with a single track, from the Hudson River to Lake Erie for \$4,762,200, on which investment it was shown by the estimates of the Company that the railroad would return a profit of from 10 to 13 per cent. Although the Legislature was flooded with petitions from people all along the line of the proposed railroad, and from the authorities of New York City and Brooklyn, praying for the passage of the bill, there was a strong feeling in the same region against the legislation on the ground that it would authorize a misuse of the public funds, although, in fact, that feeling was fostered as a political measure. It found expression in the Eastern section interested in the building of the railroad, through a leading local newspaper as follows:

The company incorporated have declared their inability to proceed upon their own resources, and have petitioned for Legislative aid. A bill has been introduced in accordance with these petitions. Our opinion is that the State should construct the work as soon as its resources shall be adequate thereto. We dislike this mixture of State affairs with stock-jobbing operations. If the company cannot fulfill its charter, let the Legislature annul it and take the matter into their own hands. The Southern counties have an equitable claim on the State for assistance, and when it is approved it should redound to their benefit, not to that of a private corporation. If the State cannot construct the road the avails will go into the public treasury for the common benefit; if otherwise, into the pockets of stock jobbers. If the work belongs to the State the tolls upon it may be reduced, after defraying the expense of its construction, to such an amount as may be necessary to keep it in order. If a corporation has the control, it remains a single monopoly, to be managed in such manner as shall most conduce to the pecuniary benefit of the stockholders. These and many other reasons may be urged why a work of such magnitude, involving the interests of so large a section of country, should not be intrusted to a private corporation. We are happy to see that the subject is awakening attention along the route of the proposed movement.—*Independent Republican* (Democratic), *Goshen, N. Y., Feb. 24, 1835.*

The same feeling on the subject in the Western counties was voiced by an influential newspaper as follows:

We are astonished, while noticing every petition introduced on this subject, that all the memorials ask for "aid"—not one requesting the State to construct the road. But we

venture to say that of all those memorialists not one in fifty knows they have prayed the Legislature to loan \$2,000,000 to a wealthy company of speculators to secure them the inheritance of the most valuable stock ever granted in New York—instead of asking the State to construct the road, the tolls of which after five years would become an everlasting and increasing fund sufficient to defray all the State expenditures, to educate our children forever. The people have never intended to ask this grant for a company. We ask the State to perform this work. We demand it as a just claim. We demand that the State immediately take back the grant from the company, who have thus artfully stepped between us and the Legislature to rob us of the claim we hold for the funds taken from us to complete the great canals.—*Farmers' Advocate* (Democratic), *Bath, N. Y., Feb. 16, 1835.*

In the same strain the bill was opposed in the Legislature, strong points being made against it by Assemblyman Wilkinson of Onondaga County, who declared that, under conditions for construction more favorable than those on the route of the New York and Erie Railroad, the Baltimore and Ohio, the Camden and Amboy, and the Columbia and Lancaster railroads, all then recently put in operation, had cost from four to six times as much per mile (\$30,000 to \$50,000) as it was estimated by Engineer Wright that the New York and Erie Railroad was to cost. Mr. Wilkinson also showed, to the disadvantage of the engineer's report on that subject, a surprising knowledge, for that day, of the capacity and practical working of locomotives, and used it effectively in behalf of the influence of the Erie Canal. He also dwelt on the fact that the New York and Erie Railroad Company had been organized on a payment of but 5 per cent. of the amount of stock required to be subscribed in 1833, when the act declared that 10 per cent. should be paid, and that it had made no report to the Comptroller, in violation of law.

"In the winter of 1833," said Mr. Wilkinson, "they [the Railroad Company] said they would begin the work if they were permitted to organize on the amount of stock then provided for. They were permitted to do so. In September, 1833, they published a circular stating that they could not go on without liberal grants and cessions of land to them. In 1835 [recently] they profess to the corporation of the city of New York that they can finish the Delaware Division in two years without the aid of the State. Now they tell the Legislature that they

cannot raise funds without the State's endorsement. They have recently had an election of Directors. Four of the old Board resigned, and Stuyvesant, Coster, Rathbone, and Pierson took their places. The funds of the Company, which consist of the first instalment of 10,000 shares of stock subscribed in July, 1833, the majority of which, it is alleged, was taken by William G. Buckner, a Wall Street speculator, are deposited with the New York Life Insurance and Trust Company. Among the four new Directors three of them are trustees of the Trust Company. Three of the other Directors are trustees of the Trust Company, making six railroad directors in that company.

"The new President is James G. King. He is a private banker, sustaining a relation to our State government something similar to that of the Barings and Rothschilds to the governments of Europe. He asks your endorsement. Sir, throw this loan in market, and it will be strange if he is not a bidder for it at a premium. If the project was to be accomplished for the sum estimated, and the profits to be such as we are told, he would not waste time in coming here and telling his intentions, but would make immediate provision for the hasty construction of the work without your aid. If the calculations they make as to the profits of the railroad when completed approximate to any degree of correctness, we will be slow to believe that this Company would not go on at once and make the road. When the Company shall have shown that they intend to construct this work by setting about it in good faith, and doing something to show it worthy of the attention of the State, then will be the proper time to consider the question of extending aid to it. When the Company abandon it, as they say they will if they fail in this plea for aid, then it will be time to consider whether it will be wise and sound policy for the State to construct it."

Philip Church, who had come to doubt very much the sincerity of the Eastern promoters of the undertaking, was at Albany watching the course of events pertaining to the railroad, and, according to a letter he wrote to his son Walter, at Belvidere, Allegany County, it was fortunate for the future of the railroad, and for the people of the counties through

which the railroad was chartered to run in Western New York, that he was present during the consideration of the Erie bill in the Legislature in the winter of 1835, if his surmises and charges were correct. The letter was written under date of March 23, 1835, and is in the scathingly polite and incisive style of which Mr. Church was a master. This letter has been among the papers of the Church family at Belvidere, N. Y., all these years, and now sees the light of publicity for the first time. As a reflection of the feeling that prevailed among the diverse interests that were laboring to get the Erie project started, and of the motives that seemed to be actuating them, the letter is a most valuable contribution to the history of the Company and the railroad.

"I write," Mr. Church declared, "for the purpose of giving a history of the legislative proceedings in regard to the railroad, and of the plans proposed with a view to defeat the construction of the western part of the road—plans which it gives me great pleasure to say I have been able to defeat.

"A bill was introduced into the house upon principles which gave the widest range to speculations not only in stocks but in the lands on the route of the railroad. The company, after considerable debate, found that it could not be carried, and then introduced, by Mr. Silby of Canandaigua, the following amendment: 'That the State should give the company \$500,000 on its constructing a railroad from the Hudson and Delaware Canal to Binghamton; \$500,000 from Binghamton to Elmira; \$500,000 from Elmira to Olean Point; \$500,000 from Olean Point to Lake Erie.'

"Two or three weeks before the amendment was presented it was proposed to me to combine with the company in commencing the railroad at the Hudson and Delaware Canal, thence to Binghamton, Elmira, and so on to the Olean and Rochester Canal; thence descending the canal to Rochester; thence, by the railroad now making, from Rochester to Batavia and Buffalo. To this I gave a most prompt and decisive denial, saying I would not admit of my pecuniary and local interests sacrificing the rights of the western half of Allegany and of the whole of Cattaraugus and Chautauqua County, and of withholding from them this railroad and the hope of all future internal improvements.

"The proposed amendment, if adopted, would have left it in the power of the company to have made the railroad from the Delaware and Hudson Canal to Elmira, a distance of 201 miles, for which they were to receive one million from the State, which would be, proportionately, a much greater sum than receiving \$2,000,000 for the construction of the whole distance of 483 miles—the 201 miles being also the easiest part of the road to construct. When the railroad once reached Elmira, goods could be transported along the Chemung Canal and Seneca Lake to Geneva, thence to Canandaigua and Rochester by the railroads now in contemplation, and thence by the railroad to Batavia and Buffalo, which had, I believe, been actually commenced, leaving the Southern Tier west of Elmira without any improvement, as it was proposed to serve the country west of the Rochester and Olean Canal. You

will readily perceive how much shorter the distance from Geneva, even by way of Rochester, to Buffalo is than that from Elmira to Portland or Dunkirk. Add to all this is the fact that the end of a great improvement farthest from the sea coast is by far the less productive of toll, the company, therefore, actuated by all these considerations, during the term of seventeen years, until which they are not obliged to finish the railroad to Lake Erie, would have ample time and power, by arraying the rest of the State against us, to have withheld entirely the extensions of the railroad from Elmira to Portland or Dunkirk; but the members of the western counties, however obvious this was, did not perceive it.

"The very foundation of our railroad is the uninterrupted use of it during the winter months and the velocity of movement on it, giving a continued and rapid communication between the country and the city of New York. By commencing at the Hudson and Delaware Canal these two great features, its only support, were abandoned, and consequently all the members from New York, except three, voted against the bill, although they all more than ever have been in favor of the main project, and after a most violent and continued struggle of fifteen days the bill was, I am happy to say, entirely lost, notwithstanding Mr. Lord, Mr. Ruggles, and many lobby members sent by the railroad and the Trust Company were making astonishing efforts in its favor.

"At the commencement of the debate Mr. Ogden of Delaware County made an allusion to me, although not by name, which was most triumphantly refuted, and Mr. Burke of Cattaraugus made a smart but injudicious speech, in which he attacked the motives of persons opposed to the bill, and which was full of personalities. This not only produced warm retorts on these members, but also occasioned, unjustifiably, very violent abuse of Mr. King, who had written a letter his friends were indiscreet enough to read to the house, and also upon Mr. Lord, who was in attendance on the part of the company, but who had not by any act brought his name into the Legislature. No one ever recollects so warm and long a debate.

"Since the failure of the bill I have proposed to the friends of the company to join in trying to obtain the construction of the road by the State; but they have refused, saying that the company intends itself to construct the work, which, of course, is entirely out of the question. I cannot say at present what course I shall take in regard to our application from Allegany, and the one from New York, both joining in recommending its construction by the State.

"During the debate the Hudson and Delaware Canal stock rose from about 70 to 114, and many hundred shares have been sold at the advanced prices. I never felt more gratified than I have at this triumph over those who would have sacrificed the western counties, and indeed the whole project, to their own local and sordid views."

Yet, at the next session of the Legislature, 1836, a bill quite similar to the one so vigorously opposed and emphatically condemned by Mr. Church became a law, and it is recorded that it was opposed by Mr. Lord. Whatever of insincerity might have possessed his contemporaries in Erie, or however much he might have believed they were swayed by ulterior motives, either must have in time been made sat-

isfactory to Mr. Church, or the work of their successors he must have regarded as having condoned for it all; for, in reply to the invitation sent him by the Company, May 1, 1851, to be present on the occasion of the opening of the railroad to Dunkirk, he wrote as follows:

ANGELICA, May 10, 1851.

GENTLEMEN: I accept with great pleasure the invitation of the Board of Directors of the New York and Erie Railroad Company to be present at the contemplated opening of that great work; prosecuted with much energy and devotion, with so much skill and science constructed.

I remain, gentlemen, etc., etc.,

Yours,

P. CHURCH.

But the people in other localities along the line of the proposed railroad did not share Mr. Church's views on the Erie relief bill of 1835, and their disappointment over its defeat was great. This feeling was vigorously expressed by an Owego newspaper, in its issue following the defeat of the bill. "It is with feelings of mortification, disappointment, and regret," this editor wrote, "that we announce the defeat of this bill in the Assembly on Friday of last week. The vote stood 61 to 45; who could have calculated upon such a result? Who, in view of the strong claims which the Southern Tier of counties have upon the State, and the acknowledged importance of the proposed road, who could have anticipated such a course at the hands of a Legislature claiming to be honorable and high-minded? No one. We do not hesitate to say that their conduct has been illiberal and unjust in this matter, and dishonorable to them as Legislators. But we console ourselves with the conviction that the matter is not going to rest here. This road must and will be built! The intelligent and enterprising citizens of the Southwestern counties will never suffer themselves to be duped in this manner. They have rights which they will be bold to assert and, we trust, found able to maintain. If treated in this way, *they will be driven to the ballot box for redress*. There they can make themselves heard—and *there they will be found!* For our own humble self we would waive every political consideration rather than submit to a system of persecution so unjustifiable and dishonorable. No man shall have our vote *whether for Governor* or a less responsible station.

who has not foresight enough, and firmness enough, and independence enough, to come out boldly and independently in favor of this grand improvement."

But the Company did not abandon the work, and April 15, 1835, opened books for subscriptions to the capital stock, and, during the spring and summer, \$2,362,100 were subscribed, on which 5 per cent. was paid, amounting to \$118,105. The prospects of the great enterprise were cheering, and early in the fall of 1835 the question of making a beginning on the work by breaking ground for the railroad came up in the Board of Directors. This brought forward differences that resulted in the first serious trouble in the Erie Directory.

The Company's charter, it will be remembered, provided that the work of constructing a railroad was to begin at or near New York. Eleazar Lord was a large landowner at Tappan Slote (now Piermont), Rockland County, on the west bank of the Hudson River, and the survey of the route for the railroad located that place as one of the most feasible for the Eastern end of the road on the west bank of the Hudson. When the question of breaking ground for the railroad came up in the Board of Directors, the announcement was made by President King that, in the interest of the Company and the furtherance of its project, an amendment to the charter had been obtained, authorizing the beginning of the railroad's construction to be made at any point on the line of the route that the Directors saw fit to select. The President said that in his judgment the interests of the enterprise would be best subserved by making the beginning in the Delaware Valley near Deposit, a locality 175 miles or more from the Hudson River.

Eleazar Lord and his friends in the Board protested against the beginning of the work in the rocky and isolated Delaware Valley, denouncing it as folly, and the inauguration of a policy of ruin. New York, they declared, was the proper starting-place of the railroad, and that it should be begun and built from there to Goshen, or if more desirable, to a connection with the Delaware and Hudson Canal in the Delaware Valley.

President King argued that, although the section of the road he thought it best to put under contract

was a difficult one to build, owing to the rocky character of the country thereabout, the very act of undertaking such a task would inspire confidence in the Company, showing, he maintained, a disposition not to shirk the difficulties in its way. He favored putting under contract forty miles of roadbed from Deposit down the Delaware Valley to Callicoon, and the Board sustained him. Eleazar Lord resigned as Vice-President and Treasurer, and Peter G. Stuyvesant was elected to succeed him.

A company (the Hudson and Delaware) had been chartered in 1830 to build a railroad from Newburgh, N. Y., to the Delaware River. A portion of that proposed railroad is now the Newburgh Branch of the Erie. Mr. Lord and his friends thought they had reason to believe that President King was interested in that project, and that his motive was to have the New York and Erie Railroad built eastward, and then over the route of the proposed Hudson and Delaware Railroad to Newburgh, where the eastern terminus was to be made, on the west bank of the Hudson, instead of at a lower point in Rockland County. Whether that was President King's intention or not, he advertised for bids for contracts for forty miles of the roadbed between Deposit and Callicoon Creek. The work was divided into forty-four subsections, and twenty-six different contracts were let November 5 and 6, 1835. The total of the bids for the forty miles was \$313,572, or \$7,742 a mile. The Company then had in its treasury just \$196,409.

First ground was broken for the New York and Erie Railroad on the east side of the Delaware River, near Deposit, Delaware County, N. Y. This important event occurred at sunrise on the morning of November 7, 1835. There were present about thirty persons, among them President King, Comptroller Samuel B. Ruggles, Treasurer Peter G. Stuyvesant, Lieutenant-Governor Root, Judge Drake of Owego, Judge Pine of Deposit, and prominent local personages. The morning was clear and frosty. As the sun came up, and tinged the surrounding hills with the cold glory of an autumn dawn, President King announced the purpose of the gathering, and in the course of his address made the following remarks: "What now appears a beautiful meadow

will in a few years present a far different aspect—a track of rails, with cars passing and repassing, loaded with merchandise and the products of the country. The freight will amount to \$200,000 per annum in a very few years.” The latter declaration being received with great incredulity by those present, the speaker concluded his prediction with the modifying expression—“At least, eventually.” The address completed, Mr. King shoveled a wheelbarrow full of dirt, and Mr. Ruggles wheeled it away and dumped it. Each one present went through the same routine, and quite an excavation was made, and could be seen for several years afterward, the road as finally located passing to the right of the spot. The shovel and barrow used were loaned by Maurice R. Hulce of Deposit, and President King took the shovel with him to New York. It was preserved by the Company until 1868, when it mysteriously disappeared.

Mr. King did not live to see the “track of rails” completed, but many of those present when he made his address lived to see the little excavation at Deposit succeeded by some of the grandest of engineering achievements, and the day when the “extravagant” prediction of Mr. King in regard to the freight revenue of the road seemed ridiculously small, in the light of events that raised the figures indicating the receipts from that traffic from the hundreds of thousands far into the millions.

Work on the railroad progressed for a time as if the Company’s treasury were surfeited with money. The management felt confident, for the subscribers to the stock, most of them at that time New York merchants and bankers, were regarded as good for any call that might be made upon them at any time. At a time when prospects seemed brightest the terribly disastrous fire of December 16, 1835, broke out in New York, and swept away the entire lower part of the city. Many of the heaviest subscribers to the stock of the New York and Erie Railroad Company were ruined by that conflagration, and thus one of the prospective mainstays of the Company’s treasury was destroyed. Following that catastrophe came the historic panic of 1836–37, with its widespread financial stagnation and ruin. This drove into bankruptcy many more of the large sub-

scribers to the Erie stock, and the prospects of the Company and its work were robbed of whatever of cheer and brightness they may have had. Nevertheless, depending on favorable action of the Legislature on a renewed appeal for State aid to the amount of \$3,000,000, the management of the Company ordered a new survey to be made of the route for the road, which was begun by Engineers Captain Andrew Talcott and Edwin F. Johnson. The object of this survey was to ascertain the most favorable and feasible terminal points for the railroad, and, if possible, to modify and improve on the original survey of 1834. Captain Talcott, formerly of the United States Army Engineer Corps, had charge of the route from Lake Erie to Painted Post, in Steuben County, N. Y. Engineer Johnson was in charge between Painted Post and the Hudson River. Although a strong effort was being made to have the Eastern terminus at Newburgh, before the survey was completed the Legislature had passed the first Erie relief bill, and this provided that the Eastern terminus must be in Rockland County, and it was fixed at Tappan. Captain Talcott also reported in favor of Dunkirk as the Western terminus of the railroad. It may be well to state that the proprietors of Dunkirk had made the donation of 5,000 town lots to the Company, and that Cornelius J. Blauvelt and others had given ninety lots—although they were under water—at Tappan.

The report of the Directors of the Company for the year 1835, which was the *first official report* ever made of the Company’s affairs, gives in detail the condition and alleged prospects of the railroad at that time. It was filed in the office of the Secretary of State at Albany, January 12, 1836, and was sworn to by James G. King and Samuel B. Ruggles, as the Executive Committee of the Board, January 2, 1835, and signed by them as President and Comptroller. After citing the facts of the organization and the survey, the report is as follows:

“On February 4, 1835, the first instalment of stock, \$50,000, was deposited with the New York Life Insurance and Trust Company, at interest of  $4\frac{1}{2}$  per cent. per annum. On April 15, 1835, the company opened books for subscriptions, and received subscriptions until September 1, during which time 23,621 shares were subscribed, and 5 per cent., amounting to

\$118,105, paid thereon. A further instalment of 5 per cent. was called, payable November 2. On this call \$105,655 were paid on 21,131 shares. On April 30, 1835, Benjamin Wright was appointed Chief Engineer, at a salary of \$3,000 a year. James Seymour, who had been his chief assistant in the survey, was at the same time made Assistant Chief Engineer at a salary of \$2,000 a year. May 1, nine parties of engineers were put in the field to revise the previous surveys, making new ones, and locating portions of the time for actual work thereon. The directors and officers have been busy getting information, examining route, getting right of way, etc. In August, 1835, Moncure Robinson of Pennsylvania and Jonathan Knight of Maryland were engaged to consult with Chief Engineer Wright, as a Board of Engineers, upon the surveys of the route made in 1834. They made a voluminous report, approving the work. September 8, advertisements for proposals for contracts were published by the company. The work to be done was the graduation of forty and a half miles of roadway in the Delaware Valley. The company's estimate of the work's cost was \$366,286, or \$9,040 per mile. President King, Comptroller Ruggles, and a Committee of Directors opened the proposals at Deposit, November 4, 5, and 6, 1835, the work having been divided into forty-four sub-divisions, 157 to 200. They were taken by twenty-six different contractors. The total amount of contracts was \$313,572, or \$7,742 per mile, a saving of 16½ per cent. below the estimate. Several additional sections of the line were prepared for contract and the company propose advertising them early in the ensuing spring. The directors are convinced that the whole work can be completed upon the plan recommended in the report of engineers (including vehicles to the amount of \$500,000) for a sum not exceeding, and probably falling considerably short of, \$6,000,000; that the road when finished will admit of the use of locomotive engines throughout its entire length, drawing weights of at least forty tons, net, and at a rate of speed which will reduce the time of passage within forty hours from the Hudson River to Lake Erie; and, if the necessary funds shall be secured without delay, the whole work can easily be completed and put in operation within five years from this date."

## RECEIPTS.

First instalment on 23,621 shares of the capital stock, \$5 each.....	\$118,105 00
Second instalment on 21,131 shares, \$5 each.....	105,655 00
Interest on \$150,000 deposited with New York Life Insurance and Trust Company, six months, at 4½ per cent.....	1,125 00
Interest on the several sums from time to time deposited with the Phoenix Bank, New York, at 4½ per cent.....	1,479 00
	<hr/>
	\$226,364 00

## EXPENDITURES.

For surveys and expenses incident thereto, including salaries and pay of engineers.....	\$24,012 08
For purchase of land, including a payment of \$100 for the privilege of purchasing a tract of land in Delaware County for a station (subsequently found to be unnecessary), preparing and obtaining deed of cession, authenticating papers, filing certificates, location and other expenses incident to acquirement of title.....	5,051 69

For salary of the late Treasurer and present Secretary, clerk hire, rent, furniture, fuel, etc.....	\$3,853 72
The President, the Treasurer, and the Comptroller serve without salary.	
For services and expenses of agents employed in the business of the company.....	2,776 87
For stationery and blanks, making and engraving maps, printing notices, reports, and other documents.....	1,928 18
For traveling expenses of committees and officers of the company while engaged in its business, including sundry petty expenses.....	812 42
For amount of box rent, and postage paid.....	186 42
	<hr/>
	\$38,621 38

Leaving a balance of.....\$187,742 62

Which is deposited as follows:

Phoenix Bank of New York.....	\$130,572 59
New York Life Insurance and Trust Company..	50,000 00
Steuben County Bank.....	3,275 00
Chautauqua County Bank.....	2,615 00
Broome County Bank.....	655 00
Orange County Bank.....	335 00
In hands of Secretary.....	290 03

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\$187,742 62

Sworn as true in every particular by

P. G. STUYVESANT, *Treasurer.*  
TALMAN J. WATERS, *Secretary.*

January 5, 1836.

President King kept the promise made in his report that the Company would advertise for proposals for grading contracts on other sections of the road early in the spring of 1836, but the advertisements were withdrawn before the dates set for the opening of bids; the reason alleged being that the Company had been unable to "prepare in time the portion of the line to be let."

## II. TRYING TO KEEP GOING.

Early in the session of 1836, consideration of the renewed petition of the Company for aid came up in the New York Assembly, and encountered fierce opposition. The scheme of the road was not only assailed as a wild and visionary one—"the greatest humbug of the age," the Hon. Francis Granger called it—and one from which wise business men stood aloof, but the officers and Directors of the Company were attacked on personal grounds, and their motives impugned. President King and the Directors had to defend themselves against the

charges of using their connection with the Company for stock-jobbing purposes, and of having purchased lands along the lines of the proposed road as a speculation which their plan of constructing the road would make a most profitable one for them. In 1835 President King, Samuel B. Ruggles, the Comptroller of the Company, and Peter G. Stuyvesant, the Treasurer, had made a tour of the route from New York to Lake Erie, and it was charged that on that trip they had arranged the land speculation, a charge which they indignantly denied, and which no facts were ever put on record to substantiate. It was also charged in the Senate by Senator Young that the rumor was current that agents of the Company had offered large holdings in land to certain Members of Assembly as a bribe to secure their votes for the Erie aid bill. Assemblyman Campbell offered a resolution in that body calling upon Senator Young to give the names of the Assemblymen thus alleged to have been approached corruptly, but it was laid on the table, and the matter was probed no further. Senator Young was arrested on a criminal charge of libel made by citizens of Tioga County for language used in the debates on this bill, but nothing came of it.

Every county through which the railroad was to pass, with the exception of Orange and Rockland, sent petitions to the Legislature asking for the passage of a State-aid bill. The municipal authorities of the cities of New York and Brooklyn also memorialized the Legislature in favor of such a bill. A remonstrance against the bill was forwarded from Orange County. This was the result of political feeling in that county and had no real bearing on the sentiment of the people toward the railroad.

Governor William L. Marcy, in his annual message to the Legislature in 1836, called attention to the affairs of the New York and Erie Railroad, and submitted a communication from President King, accompanied by documents, and advised the serious consideration of the questions involved, "uninfluenced by any other views than such as are inspired by a comprehensive regard for the public good." The communication from President King was a résumé of the work in hand, and assured the Governor that "no reasonable doubt exists as to the

ability of the Company to complete the whole road from the tidewater to the lake, with all requisite vehicles, for the amount stated in the report of the engineer, and that the sum will certainly not exceed, and probably will fall considerably short of, six millions of dollars." It asked the loan of the State's credit to an amount not to exceed three millions of dollars, to be advanced in instalments. The documents accompanying the communication were engineers' reports and estimates.

Acting on these petitions and memorials, a bill was introduced in the Assembly providing that certificates of stock be issued when a section of railroad from the Delaware and Hudson Canal to the Chenango Canal, near Binghamton, 146 miles, was completed. The cost of this section was estimated to be \$1,646,826. Another block of \$700,000 of State stock was to be issued when the railroad was ready for operation from Binghamton to the Alleghany River, 184 miles. This would have compelled an additional outlay by the Company of \$1,322,989. When the road should be completed from the Alleghany River to Lake Erie, seventy-nine miles, the Company was to receive another instalment of stock to the amount of \$300,000, the cost of that section being estimated at \$640,547; and when the railroad should be built from the Hudson River, in Rockland County, to the Delaware and Hudson Canal, seventy-seven miles, the cost of which would be \$1,664,156, stock to the amount of \$400,000 would be issued to the Company. This called for the expenditure by the Company of \$4,674,518 to receive \$2,000,000 in State stock. The remaining \$1,000,000 of the State-aid stock was not to be issued until the railroad was completed, with a double track its entire length, from the Hudson to Lake Erie. This second track, the cost of roadbed having been provided for in the above calculation, the engineers estimated would cost \$1,857,000.

The certificates of stock thus to be issued to the Company were to bear interest at the rate of 4½ per cent. per annum, payable quarterly, and were redeemable at any time within twenty years, the tolls and income of the railroad to be pledged for the payment of the principal and interest. In default of the payment of principal or interest, the Comptroller

of the State was authorized to sell the road by auction, or to buy it in at such sale for the use and benefit of the State. The bill met with strong opposition, one ground of which was the fact that it did not provide for the beginning of the road at the Hudson River instead of at a point in the interior. This opposition was prompted by the Lord following in the Company. But the bill passed the Assembly, and in the Senate was referred to the Railroad Committee, which, having figured out that the road, with a single track and equipment, could be built for \$6,000,000, and that it would, on a low estimate, earn \$922,000 a year, net, reported it favorably, with a strong recommendation for its passage. The report (Senate Document No. 62, 1836) was accepted, and the bill became a law April 23d. Although the Company and the friends of the railroad rejoiced over this recognition of the importance and necessity of the railroad through the Southern Tier, and the quick completion of the undertaking was hailed as a certainty by means of the generous helping hand extended by the State (a belief that was affected by the management of the Company in its report to the stockholders as late as September, 1836), it in reality must have been soon apparent to those at the head of the Company's affairs that this bill would be of but little use to them. To receive the first \$600,000, first instalment of State stock, the Company would be obliged to expend nearly a million and three-quarters of dollars—more than double the amount to be received. To a corporation that had not a dollar in its treasury, nor any means of raising a dollar, and which was deeply in debt besides, this was generosity indeed! The so-called State aid could not be utilized, and the Company was soon in sore straits. In December, 1836, a call was made for an instalment of \$2.50 on each share of stock that had been subscribed for. The money was wanted to settle overdue claims of contractors, who were becoming clamorous. Less than one-half of the subscribers paid the instalment, and active operations on the work ceased with the close of the year.

The extreme seriousness of the Company's situation spurred President King to renewed effort to

extricate it from its peril. He brought all his great personal influence in the business affairs of New York City to bear in behalf of the lagging enterprise, with the result that a call for a public meeting to be held at Clinton Hall, Friday evening, January 20, 1837, at half-past six o'clock, was signed by all of the leading New York business men of that day. The object of the meeting, as stated in the call, was "to receive from the Board of Directors important statements representing the progress of their undertaking and its improved financial condition, and to adopt measures for an energetic prosecution and early completion of the work."

The meeting was called to order by James N. Wells. Mayor Aaron Clark was chosen President; James N. Wells and Nathaniel Weed, Vice-Presidents; and Thomas R. Merceir and William Samuel Johnson, Secretaries. The meeting was addressed by President King, who placed the situation, prospects, and needs of the Railroad Company before it. One tempting scheme he laid stress upon. This was the large provisional donations of land west of the Genesee River along the line of the proposed railroad, which he said were of such value that their sales would permit the payment of 6 per cent. per annum to the stockholders of the Company, among whom, also, the land remaining unsold would be "rateably divided among the then holders of the three millions of stock." He said the Company had received an offer from Gould Hoyt, Nicholas Devereaux, and Nevius & Thompson, of \$400,000 for these lands, to be paid in such sums, on July first of each year, until 1841, as should suffice for the interest at 6 per cent., accruing at those periods on the instalments of stock paid up. This offer had been declined, however, as the Company preferred to reserve for its stockholders the rise in the value of these lands which the progress of the road could not fail to occasion, selling only from time to time what might be needful to meet the payment of dividends. The road, he said, could be completed for \$6,000,000. There had been subscribed \$1,800,000. The State stood pledged for \$2,000,000, on the completion of a single track for the whole route. New York City was asked to raise enough to make the subscription \$5,000,000. No subscription thus made would be

called in exceeding instalments of 25 per cent. per annum, and the first payment might be made in notes at three or four months. President King insisted on the declaration that he and his associates had no interest in the work beyond that of every stockholder in the value of the stock. They owned no land along the route, and had no separate pecuniary interest. He warned the New York business men against the efforts other cities were making to secure the trade of the great West at the expense of New York.

John A. Stevens addressed the meeting in favor of going to the aid of the Company. What was of the greatest importance to the city of New York, he declared, was to be secured by the building of this railroad to the Alleghany Valley—connection in the early spring between this part of New York and the populous valleys of the Ohio and Mississippi—the head of navigation of which rivers, he called the particular attention of the meeting, lay within the limits of this State, in the County of Cattaraugus. “When the railroad shall be completed from the Hudson to the Alleghany, the merchandise of this city can be sent down into the valley of the Ohio before the 10th of March, earlier even than the opening of the Pennsylvania Canal, and nearly six weeks before the opening of the Erie Canal.” Speeches were made by George Griswold, Robert Cheesebrough, General Tallmadge, and others, and resolutions favorable to the increasing of the available subscriptions of the stock of the Railroad Company to \$3,000,000 were unanimously adopted, and recommending that books for that purpose be opened at the Merchants’ Exchange and other places.

A committee of thirty-nine was appointed by the chair to obtain subscriptions, as follows: John Haggerty, John A. Stevens, Robert Cheesebrough, Moses H. Grinnell, S. S. Howland, James N. Wells, Charles N. Talbott, Moses Taylor, Benjamin Birdsell, Nathaniel Weed, Frederick Sheldon, E. J. Gould, Stephen Allen, Simeon Draper, Jr., Charles Kelsey, A. G. Thompson, T. R. Merceir, David Austin, Daniel Jackson, D. W. Wetmore, Sheppard Knapp, Samuel Jones, Robert Ray, George W. Bruen, James B. Murray, Thomas E. Davis, Charles Hoyt, J. A. Perry, Ogden E. Edwards, Charles Wolfe, Henry H. Elliott, David Lee, E. G. Vaile,

Charles Dennison, Alfred R. Mount, Jacob Lorillard, Martin E. Thompson, Philip H. Woodruff, Andrew Lockwood.

It would seem that it would have needed no more aid than what the members of this committee could themselves alone have offered, then and there, to have not only tided the Company over its pressing difficulties but insured the completion of its railroad without further delay or hindrance, if their faith in its future and fears for its failure were as strong as their professions; but there is no record that they did anything more than “open books,” and wait for the public to come and take shares in the Company, which the public did not do.

The official report for 1836, and of the condition of the Company's affairs, was as follows:

The work of grading the forty and a half miles in the Delaware Valley has been actively prosecuted during the year. The amount of work done amounted to \$165,010.78, on which the company paid the contractors in cash \$121,939.49. Except in ten instances, the people owning the land on that section ceded right of way, and the land the company needed, gratuitously. Legal proceedings before the Vice-Chancellor to condemn the lands were taken by the company, and the valuation as confirmed by them amounted to \$3,105. The company has located a section of the road near the west side of the Hudson River, and extending into the same at or near Tappan Landing, in the town of Orange, in Rockland County, and commenced graduation of it. The company has paid on the account of the same during the year \$4,000.

Engineers have been revising the line, and particularly in surveying and examining with great care the several harbors on Lake Erie in the County of Chautauqua. These examinations have enabled the material shortening and straightening of the line and improvement of the grades of the road which will first approach the Lake at Dunkirk.

JAMES G. KING, *President*.  
S. B. RUGGLES, *Comptroller*.

January 31, 1837.

*Report of the Receipts and Expenditures of the New York and Erie Railroad Company during the Year 1836.*

#### RECEIPTS.

Balance on hand January 1, 1836.....	\$187,742 62
From instalments on stock.....	\$22,122 50
Interest on instalments and sums on deposit.....	6,968 91
Rent of offices in buildings No. 12 and 46 Wall Street, relet by the company to May 1, 1836.....	740 14
From payment of money advanced for purchase of instruments for the junior members of the engineer corps.....	360 00—
	\$30,191 55
	<hr/>
	\$217,934 17

Total receipts brought forward.....\$217,934 17

EXPENDITURES.

Paid to contractors' account of work done in grading roadbed to December 1, 1836.....	\$125,939 49
For surveys and expenses thereon, including salaries and pay of engineers.....	65,713 96
Salaries of Secretary and Clerk, rent, furniture, fuel, and petty expenses..	5,316 70
Purchase of land roadbed, award to owners, court and commissioners' fees, etc., and other expenses in acquiring titles to land.....	4,734 73
Salary of agent and expenses incurred by him.....	2,660 93
Blanks and stationery, newspaper subscriptions, advertisements, printing reports, and documents.....	1,194 62
For purchase of instruments for engineer corps, and advances to assist the junior members.....	1,079 87
Traveling expenses of officers of the company while engaged in its business.....	718 07
Box rent and postage.....	125 94—\$207,484 31

Leaving balance, December 31, 1836..... \$10,449 86

T. J. WATERS, *Secretary*.

January 31, 1837.

Thus the Company had received but \$22,000 on stock payments during the year. The total receipts were little more than \$30,000, and the expenditures over \$207,000. A more discouraging situation could not well be imagined. President King made strenuous efforts to extricate the Company from its depth of trouble, but without success, and, in the spring of 1837, all work in the Delaware Valley and elsewhere was ordered discontinued. The Company's debt was then only \$13,000, but there was much less than that actually in the treasury. The prospects for a railroad from the Hudson to Lake Erie were dark indeed.

The King administration steadily became unpopular at large, and there was not entire and perfect unison of feeling among its own members. Work had not seemed to prosper under Mr. King's management, and he had at last become a convert to the idea that a work of the magnitude of the one the Company had in hand could not be successfully constructed by a private corporation, and that the work should be done by the State. The stockholders were discouraged, and the financial depression in

the country was becoming greater. A number of leading officers of the Company had resigned. At the annual election for the Directors in October, 1837, the votes of stockholders who had not paid the instalments called for were refused. A memorial from President King and the Directors asking an amendment to the relief act of 1836 was presented to the Senate during the session of 1837. The memorial asked for further aid for the railroad because of the pecuniary disaster that had overtaken many of its large stockholders, preventing them from paying the amounts of their subscriptions to the stock. The report of the Railroad Committee on it declared its sympathy with the situation the Company found itself in, but claimed that "the same causes which now embarrass the progress of the work, and, in fact, agitate the whole commercial world, have so greatly discouraged the financial affairs of the country as to render it inexpedient, if not impracticable, for the State to afford the immediate aid requested by the memorialists." And none was granted.

The official report of 1837, made January 8, 1838, was signed by P. G. Stuyvesant and William Beach Lawrence, as "Directors and Members of the Erie Company." President King was in England using his influence as a financier to stay the tide of the commercial panic in this country, which he succeeded in doing by inducing the Bank of England to advance a large amount of specie to New York banks to enable the resumption of specie payments and restore confidence here. Officially, following was the status of the New York and Erie Railroad Company at the close of 1837:

During 1837, and especially in the month of February, 2,200 additional shares of stock were subscribed, 1,355 of which instalments were paid in cash to the amount of \$20,137.50. On previous subscriptions \$59,887.50 were paid during 1837. The total number of shares subscribed for since the organization of the company was 25,832. On these, calls for 15 per cent. of the face had been made up to 1837, and cash to the amount of \$325,907.50 had been paid on 24,987 shares, leaving due on the calls on these shares \$48,897.50. On the remaining 845 shares nothing had been paid. No other contracts have been made on the line; on the contrary, the directors had found such difficulty during the commercial embarrassments of the year in collecting instalments on stock that they had deemed it their duty in, and shortly before, the month of May, 1837, to discharge the contractors and sus-

pend all further operations in the Delaware Valley, and also to discharge their engineers and surveyors throughout the whole line of the road. The grading on the Delaware Valley, forty and one-half miles, had cost \$192,837.63, and on the section at Tappan Landing, \$5,889.40. All of this cost has been paid to the contractors except about \$13,000, which is being liquidated and settled. The total amount of money raised by the company since its organization to December 31, 1837, was \$338,637.15. The total amount expended during the same period was \$337,630.43 as follows: Construction, \$186,116.62; engineering and surveys, \$112,147.84; lands for roadbeds and stations, \$10,282.26; salaries, rent, etc., \$29,083.71.

*Receipts and Expenditures of the New York and Erie Railroad Company during the Year 1837.*

RECEIPTS.

Balance on hand, January 1, 1837.....	\$10,449 86
From instalments on stock.....	\$80,025 00
Interest on same and sums on deposit.....	1,387 08
From rent of rooms relet by company.....	214 04
From rent of property purchased for roadbed and station at Binghamton.....	157 23
From repayment of advances to junior members engineer corps.....	298 25—\$82,081 60
Total.....	\$92,531 46

EXPENSES.

Paid contractors.....	\$60,177 13
Surveys, expenses, salaries, etc., Engineer Department.....	22,421 80
Salaries of Secretary and Clerk, rent, fuel, sundries.....	4,856 44
Salary of agent and expenses.....	638 76
Paid for instruments for use of engineer corps.....	1,033 00
Paid interest on balance due contractors and on notes and drafts negotiated.....	793 92
Paid for stationery, blanks, newspaper subscriptions, and advertisements, printing notices, reports, etc.....	754 04
Paid charges, land taken by process of law, deeds, fees, etc.....	495 84
Expenses of Secretary traveling on the company's business, services of Superintendent, repair of road, sundry law charges.....	273 93
Box rent and Postage.....	79 88—\$91,524 74
Leaving balance, December 31, 1837.....	1,006 72
	\$92,531 46

TALMAN J. WATERS, *Secretary*.

January 8, 1838.

III. CROSS PURPOSES.

The Board of Directors for 1838 was made up of the following eminent business men of that day: James G. King (who was re-elected President),

Edwin Lord, Samuel B. Ruggles, Charles Hoyt, Peter G. Stuyvesant, Stephen Whitney, John A. Stevens, George Griswold, James Boorman, John G. Coster, David N. Lord, Aaron Clark, John W. Leavitt, Jeremiah H. Pierson, George S. Robbins, George D. Wickham, William Beach Lawrence. April 27, 1838, George S. Robbins resigned from the Board. Eleazar Lord was chosen to the vacancy. This was the beginning of a change in the policy of the Company. President King returned from Europe in May, 1838. On May 4, Elihu Townsend, who had been appointed a Director in place of John W. Leavitt, resigned as Treasurer, and the duties of that office were performed by the President and Secretary Talman J. Waters.

Eleazar Lord had formulated a plan which was presented to the Legislature in January, 1838. It called for a State loan to the New York and Erie Railroad Company of \$100,000 to be made against every like sum to be paid in by the Company, and provided that ten miles of railroad from Tappan Slote (Piermont) west, and ten miles from Dunkirk east, must first be put under contract. This was the result of the influence of Eleazar Lord and the large Dunkirk landowner, Walter Smith. By this provision was secured for all time the Eastern terminus of the railroad at Piermont and of the Western at Dunkirk, and thus private landed interests at both ends of the line were assured better tenure. But the bill was greatly to the general welfare of the Company, notwithstanding this not entirely disinterested clause, and was the only one, perhaps, that could have met with approval from the Legislature at that critical time. It did meet with approval, and was accepted by the Company, although it was opposed to the policy President King had avowed himself in favor of. Upon the passage of the bill, in April, 1838, Samuel P. Lyman, of Syracuse, was appointed by the Board of Directors General Commissioner of the Company, "to procure deeds of cession and donations of land to the Company." He was a friend of Eleazar Lord.

But this "obtaining of deeds of cession and donations of land" was not all the duty that Commissioner Lyman was to perform. It would not have looked well to nominate in the bond the other part

of his duty. Samuel P. Lyman's services were considered none the less valuable because he had gifts for lobbying and a graceful way of using them. And at about this time there was need of a suave and capable agent of Erie at Albany. One of Lyman's first efforts as Commissioner was the making of a report, November 21, 1838, that if the Company pleased it could locate and put under contract three hundred miles of the road by May 1, 1839, from Tappan to Goshen, Binghamton to Hornellsville or Bath, and from the Genesee River to Dunkirk, and that the Delaware Valley was fairly under contract. The report suggested State Directors to be associated with the Company Directors.

This was a direct thrust at the policy of President King, who had returned from Europe strong in the belief that the Company positively had no prospects. He was using his influence to have the State itself take charge of the New York and Erie Railroad and complete it as a public work, on the ground that in that way only could the road be finished. Lyman's utterance was the voicing of the Lord policy. However, President King sent Commissioner Lyman to Albany during the session of the Legislature for 1839, with the outline of legislation having in view the making of the New York and Erie Railroad a State work, and with instructions to push it to a successful issue if it could possibly be done. Information came to President King toward the close of the session that his agent had been working steadfastly against such legislation, whereupon he censured Lyman and Lyman resigned.

Eleazar Lord's influence apparently soon became once more paramount in the Company's affairs. The contracts on the ten miles from Piermont and the ten miles from Dunkirk were let, and then Mr. Lord proposed to the Board that the work be further advanced, on a plan he had in mind, by letting contracts for its construction from the point where the ten-mile contract from Tappan ended to the village of Goshen, thirty-six miles. For the accomplishment of this he submitted his plan as being one most likely to prove successful. It called for authority from the Board to solicit subscriptions from the citizens of Rockland and Orange counties, until a sum sufficient, with a corresponding amount thus earned

from the State, to commence and carry on the work, was collected; the subscriptions to be paid monthly. He proposed a contract of such form that the contractors should have no claim for damages under it if the required instalments were not paid by the subscribers. In addition to this, the Company was to issue special certificates for the stock, entitling them to interest on it, to be paid out of the earnings on that part of the road after it should be put in operation, until such time as the road was completed to Erie. The Board of Directors acquiesced in this proposition, and official action in its favor was taken. Eleazar Lord was appointed Commissioner to carry out the details of the plan, the scope of which was subsequently extended so that the work was to be put under contract also as far as Middletown, nine miles west of Goshen. At this meeting of the Board of Directors, July 14, 1838, it was also

*Resolved*, That as soon as the sum of fifty thousand dollars shall be subscribed in any of the Southern Tier of counties, and instalments of 15 per cent. paid in thereon, in cash, and deposited in bank subject to the orders of the Company, a competent engineer with suitable assistants shall be forthwith sent into such county to survey the line of the road therein and prepare it for location; and that the said 15 per cent., or so much as shall be necessary, shall be applied toward the expense of such survey, and that the residue thereof, and of all future instalments to be paid on such stock, together with such corresponding amount as may in consequence be received from the State, shall be applied exclusively to the construction of the road through such county, and, if any such counties shall see fit to anticipate the payments of future instalments on their subscriptions, they shall be allowed interest thereon at the rate of 6 per cent. per annum, until calls shall be made by the Board to the same extent upon the stockholders at large.

At the same time, on motion of Mr. Lord, the Board passed a resolution which provided that the railroad should be constructed of six-foot gauge instead of the four-foot-eight-and-a-half-inch gauge, which was the standard for all roads then building in this country. There were several reasons for this innovation. H. C. Seymour, the Chief Engineer, and S. S. Post were the original controlling minds in Erie practical affairs. These advisers advocated the six-foot gauge because it was favored by all English railroad builders, who were then regarded as masters of the economies of engineering science. Then, the grades of the proposed New York and Erie Railroad were to be of extraordinary degree,

the overcoming of which, according to Mr. Post, would require the use of locomotives of enormous weight, a weight so great that a broad-gauged track alone could offer sufficient space for placing within the locomotives the mechanism necessary to give the power required to move successfully so monstrous a machine. Mr. Post, also, saw a great future for the New York and Erie Railroad, and insisted that the time would come when trains would necessarily have to run in "squads" over it—a number of trains on practically one schedule time—and that these squads could be made few in number by the heavy locomotives being capable of hauling trains of many cars; which argument he used in favor of the practical economy of the broad gauge. Mr. Post's prophecy as to trains in "squads" came true years ago, as witness the running of a regular passenger train in a number of "sections," and regular freight trains with many "extras."

But, if none of the arguments in favor of the adoption of it had been made, the New York and Erie Railroad would have had the broad gauge just the same. Eleazar Lord had an idea of his own about the six-foot gauge, and it was this that most moved him to favor and insist upon it. There was an apprehension in his mind that a change in a certain provision of the charter of the Company would be sought at some future time. The avowed object of the originators of the project for a railroad such as the Erie was to be was, besides the opening up and developing an isolated portion of the State of New York, to enhance the trade and commerce of New York City by giving it communication with markets in New York State and the West which were tributary, or likely to be, to Philadelphia, Baltimore, and Boston, through public improvements then going forward. Consequently, it was intended that the New York and Erie Railroad should be entirely independent of any connection that might, although indirectly, lead the desired new trade away from New York. The Camden and Amboy Railroad was then building, as was a local road from Jersey City to Paterson. A railroad from the New York State line, near Elmira, leading southward into Pennsylvania, its ultimate terminus to be Baltimore, was about to be begun. Boston was hastening its con-

nection by rail with Albany, there to meet the Canal and projected Central New York railroads. Hence the charter for the New York and Erie Railroad expressly prohibited, under penalty of its forfeiture, connection with any railroad leading into New Jersey, Pennsylvania, or Ohio, on the childish theory that thus traffic could not be diverted from the Erie.

This was in 1832, and in 1838, when the New York and Erie Railroad Company was committed to the six-foot gauge, those railroads, and others, were either entirely or partially in operation, and had the lesser gauge. The charter provision prohibiting outside connection might be easily changed some day. To change a great railroad's gauge so that connection with other roads might be made would not be so easy. Hence Mr. Lord's adoption of the broad gauge. Eleazar Lord looked a long way ahead, but he did not look far enough. If he had, he might not have insisted on his six-foot gauge. It came to be responsible, in a great measure, for much of the Erie's subsequent financial tribulation. While the Western terminus of the New York and Erie Railroad was still at Middletown, in 1845, the then Chief Engineer, Major T. S. Brown, returned from Europe, whither he had been sent to study the best methods of railroad building, and he reported that English engineers were discouraging the six-foot gauge, and that some of the railroads in that country had abandoned it. A. S. Diven, of the board of Directors, was in favor of reducing the gauge of the Erie before the work got further along. Major Brown, in response to a request of the Board, estimated that the change of the gauge of the fifty-four miles of track between Piermont and Middletown would cost not more than \$250,000. Director Diven offered a resolution that the gauge be changed to the narrow, or what is now the standard, gauge. James Brown and Homer Ramsdell were the only members of the Board besides Mr. Diven who voted for the resolution, and the six-foot gauge remained. The road was completed with that width of track. When, at last, it became necessary to make the road and its branches standard gauge or go out of business, nearly forty years later, the change cost far up into the millions of dollars, this being actual outlay; not taking into

account the millions in extra expense it had cost to maintain, equip, and supply a railroad six feet wide. That unwise act of Eleazar Lord, and the penny-wise and pound-foolish policy that persisted in it, are responsible for taking out of the Erie treasury not less than \$25,000,000 or much-needed money.

The Lord plan for raising money to build the road to Goshen was in a great measure a success. Leading citizens of Orange and Rockland counties lent substantial aid to the scheme; prominent among them being Hon. John B. Booth, George D. Wickham, Jesse Edsall, Henry Merriam, and Ambrose S. Murray of Goshen, and Jeremiah H. Pierson of Ramapo. The Orange County committee pledged themselves to raise \$50,000, and they did raise that amount.

The official report of the Company for 1838, which, for some reason, was not filed with the Secretary of State until January 11, 1840, throws interesting light on the progress the management was making. It is as follows:

Immediately after the reception of the law passed April 16, 1838, entitled "an act to amend an act entitled 'an act to expedite the construction of a road from New York to Lake Erie, passed April 23, 1836,'" the company adopted measures for the active prosecution of the work, perfected the surveys and locations of the portions of the road specified in the act and, in August, 1838, entered into contracts for grading the ten miles of the road in Rockland County and the ten in Chautauqua County, and work was shortly afterward begun. Toward the close of the year a resurvey was begun preparatory to a final location of the road from Binghamton to the Genesee River, and likewise from the west line of Allegany County to the east end of the ten miles under contract in Chautauqua County, and measures taken to obtain the cessions of land on both of those portions.

ELIHU B. TOWNSEND,  
WILLIAM BEACH LAWRENCE,  
*Directors.*

46 WALL STREET, January 7, 1840.

*Report of the Receipts and Expenditures of the New York and Erie Railroad Company during the Year ending December 31, 1838.*

RECEIPTS.

Cash on hand, January 1, 1838.....	\$1,006 72
From instalments on stock.....	\$20,330 00
Interest on same.....	1,482 84
From rent of rooms relet, 46 Wall Street.....	450 00
Temporary loans.....	24,500 00—\$46,762 84
	<u>\$47,769 56</u>

Total receipts brought forward.....\$47,769 56

EXPENSES.

Paid on contracts.....	\$28,204 40
Salaries and expenses, engineering department.....	9,130 87
Salaries Secretary and Clerk, rent, fuel, office sundries.....	4,267 68
Expenses of Commissioner and pay and expenses of agents on line.....	2,751 83
Interest paid on notes and balance due contractors.....	757 42
Law expenses, and expenses of officers traveling on company's business....	477 62
Costs of acquiring title to lands for roadbeds.....	616 78
Printing, stationery, advertising, etc..	318 84
Box rent and postage.....	63 86—\$46,589 30

Leaving balance cash, December 31, 1838... \$1,180 26

TALMAN J. WATERS, *Secretary.*

Sworn November 6, 1839.

Lettings for contracts for both grading and superstructure were advertised, but work was not really begun on the Goshen extension until the following spring. The subscriptions had been, up to December 1838, \$100,000, which earned the same amount from the State. Contracts for grading having been closed on satisfactory terms, the Eastern end of the road began to assume that appearance of activity that followed the unfortunate beginning of work in the valley of the Delaware in 1835, and which ended so disastrously in the spring of 1837. Operations on the Eastern Division were restricted from month to month to the amount of funds at command.

But toward the end of December, 1838, the Directors of the Company, or a majority of them, seem to have begun to think that the arrangement with the State was not as liberal as the requirements of the work should have, and, on the 20th of that month, the Company prepared a memorial to the Legislature, which was presented early in the session of 1839, reciting the fact that the Company had determined the location of the work from the Western end of the ten miles then under contract in Rockland County to Goshen, in Orange County; from a point near the village of Binghamton, in Broome County, to a point near the village of Elmira, in Chemung County; and from Corning, in Steuben County, to the west line of Chemung County; that the people in the Southern Tier had subscribed to between

three and four thousand shares of stock and would subscribe more in case of success of the petition ; and that the Company was prepared to locate and put under contract further expensive portions of the road with the view of completing a single track from the Hudson to Lake Erie within five years if it could command the requisite funds. The memorialists asked the Legislature to amend the law of 1838 so as to provide for an issue of State stock in the ratio of \$3 to \$1 advanced by the stockholders, without requiring them to provide for the interest thereon, and that the Legislature have the right to take the road at the completion of it by paying what it had cost, with interest, the stock to bear 5 instead of 4½ per cent. interest.

The Legislature being slow to take any action on this modest request, the management attempted what, in sporting parlance, would be called a "bluff." On February 7, 1839, Director William Beach Lawrence, seconded by Eleazar Lord, offered the following resolutions before the Board of Directors of the Company :

*Resolved unanimously*, That this board approve of the memorial recently presented in their behalf to the Legislature, under the seal of the company, and that no aid less than prayed for therein will be adequate to a speedy and successful prosecution of the work entrusted to their charge, or enable them to complete a single track of the New York and Erie Railroad within a reasonable period.

*Resolved*, That if the Legislature deem it expedient to adopt the road as a State work, this board will recommend to the stockholders a surrender of their franchises, upon a just and equitable term.

If this was intended to frighten the Legislature and the people along the line into taking action in behalf of the Company, to save the one from having the railroad forced upon the State, and the other from losing the money they had invested in the work, it did not have that effect, for soon after the

presentation of the resolutions in the Legislature, petitions from Orange, Delaware, Broome, Tompkins, and Seneca counties, praying for the immediate construction of the road by the State, were presented in the Senate. Senator Johnson, of the Committee on Railroads, February 14, 1839, made a long report to the Senate favoring the prayer of the petitioners, and accompanied it by a bill authorizing the New York and Erie Railroad Company, on or before July 1, 1840, to surrender all its right, title, franchises, and property in the railroad to the State. This bill was rejected by the close vote of fifteen to fourteen. But the Assembly passed a similar bill. How nearly the New York and Erie Railroad came to passing from the hands of the Company and becoming part of the great public works of the State of New York is shown by the vote on this latter bill in the Senate. It was rejected there by a vote of seventeen to fourteen. Two votes alone changed the whole history of Erie, for the Governor would have signed the bill had it passed.

But while these bills did not pass, neither did any bill looking to the further relief of the Company pass, and the Directors went on with the work on the lines made possible by the legislation of 1838. Mr. King remained at the head of the Company until September 25, 1839, when he resigned. Elihu Townsend was elected President *pro tem*. At the annual meeting held October 4 following, Eleazar Lord was elected President of the Company for the second time, with the following Board of Directors : Jeremiah H. Pierson, John A. Stevens, George D. Wickham, George Griswold, Eleazar Lord, Stephen Whitney, Aaron Clark, Elihu Townsend, David N. Lord, Charles Hoyt, John A. King, William Beach Lawrence, George S. Robbins, Henry L. Pierson, James Bowen, William H. Townsend, Isaac L. Varian

## CHAPTER VI.

### SECOND ADMINISTRATION OF ELEAZAR LORD—1839 TO 1841.

Marked by Folly, and Some Wisdom — Success of the Orange and Rockland Plan followed by its Extension to the Susquehanna and Western Divisions of the Work — Building a Railroad on Stilts — How 100 Miles of Piles came to be Driven at a Cost of \$1,000,000, only to Prove Useless — Another Effort to have the State Assume Charge of the Work Fails — More State Aid Solicited in 1840 and Obtained — What the Work was Costing — Serious Charges Made against the Management Investigated by the Legislature; the First Erie Investigation — The Management Exonerated — Political Influence Credited with the Result — Lord Retires the Second Time as President — The Company's Prospects Apparently Promising.

THE Southern Tier and Western counties had long given up all hopes of the railroad ever reaching them, and had lost confidence in the Company. This was especially true of the Southern Tier. For a year or more, and up to the time of the adoption of the plan by which the railroad was being built through Rockland County and into Orange County, the Southern Tier had advocated and insisted on the surrender of the Erie charter to the State, and opposed all further efforts to obtain relief from the Legislature. The reports of the success with which the Rockland and Orange method was meeting changed the drift of opinion in the Susquehanna and Chemung valleys, and in February, 1840, confidence in the work was so much restored that the same plan was accepted by the Southern Tier counties, and subscriptions sufficient having been made, 117 miles of road, from Binghamton to Hornellsville, were put under contract, and the work of construction was immediately begun.

In the work on the Susquehanna and Chemung sections of the railroad, Eleazar Lord, who had proved himself so potent in his direction of the affairs of the Company in many emergencies, committed himself to an act of folly which went far to strengthen the charge of his enemies that he was not a practical man, but one of wild and visionary ideas. This act was the substitution of rows of wooden piles for a graded roadbed on which to lay the rails. Upward of one hundred miles of this piling were driven along the route, at a cost variously estimated from \$600,000 to \$1,000,000. It was a dead loss. No track was ever laid upon it. For

many years after the railroad was completed long rows of these piles could be seen, and even to this day, in the Canisteo Valley, near Hornellsville, many of them are visible, mournful monuments to misdirected effort in furthering a worthy cause. Their interesting story is told elsewhere in this volume.

February 26, 1840, on the petition of the citizens of the Southern Tier counties, and of sundry stockholders of the Company, Senator Furman, of the Railroad Committee of the Senate, presented from that committee a strong report in favor of the State assuming charge of the New York and Erie Railroad and completing it as a public work. The Company itself was charged by opponents of such a course with conspiring to arouse the people to efforts to induce the State to take the work off the Company's hands. At this session of the Legislature the President of the Company, under date of January 24th, presented a memorial asking for a further amendment of the act of April 16, 1838. The memorial was accompanied by a letter from President Lord to the Chairman of the Assembly Railroad Committee, the Hon. Demas Hubbard, Jr., in which he answered the queries which had been made by Mr. Hubbard in regard to the Company, in view of action on the proposed new legislation. In this letter Mr. Lord said :

"It is proposed to grade the roadway for a single track of rails, with the necessary turnouts; to erect substantial bridges with timber in place of stone; to construct the road with piles wherever that method shall be found most economical, and to lay strong and well secured superstructures and a flat iron rail of more than ordinary thickness. About two hundred miles of the track can, it is believed, be laid on piles, in a manner far more satisfactory, and at far less cost, than by

the ordinary method of grading; and in hope that the desired change in the law may be granted, and in order to be prepared to proceed with the work without delay, contracts for about one hundred miles of pile road, on the margin of the Susquehanna and its tributaries, between Binghamton and Hornellsville, are in preparation and may be consummated within two or three weeks. The cost of the road, as repeatedly estimated and revised, graded for a double track, with a single track of rails, the ordinary flat iron, and the necessary engines and vehicles, will fall within \$6,000,000. Upon the plan now proposed, with the economy induced by the circumstances of the company and the use of piles on large portions of the road, the utmost confidence is felt that the cost of the work complete will not exceed, and may fall considerably short of, the sum mentioned. The company, without any hesitation or doubt, will be able to complete the road without any additional amount of aid beyond the \$3,000,000 contemplated in the act, which calls for an issue of the loan in the ratio of \$100,000 to every sum of \$50,000 collected on the stock of the company and expended in the construction of the road, that rate to be applicable to the past as well as the future collections on the stock, the stock to bear interest at 6 per cent. per annum, or such rate not exceeding 6 per cent., at the option of the Comptroller, as will be saleable at par, and to exchange the four and a half per cent. stock heretofore issued, for stock bearing six, or not exceeding 6 per cent., that the former, which on account of its low rate of interest is not saleable without loss, may be taken out of market. Then more than half the road may be put in use within two years.

"The company has not expressed the desire or taken any measures or authorized any one to bring about the completion of the work by the State. With the aid asked, they will proceed with the work rapidly and successfully complete it."

The petition which President Lord's letter accompanied stated that work was progressing under the contracts made in August, 1838, according to the act of April 16 of that year, for graduation and masonry on ten miles of the Eastern end and ten miles on the Western end of the railroad. Seven miles of the Western end were graded; the remainder nearly. Half the Eastern end was graded. Arched stone culverts had been built over the Pascac and other streams, and one over the Hackensack was building. A pier constructed on piles, with an embankment of earth and stone, had been extended to the navigable channel of the Hudson River, 4,000 feet from shore, with transverse wharf at the end, 120 feet in length. A single track of rails used in carrying the materials of the embankment was laid from the end of the pier, a distance of nearly two miles. This work was in such a state that it would permit laying of the superstructure the ensuing season. Legal titles had been acquired for lands for roadway and, July, 1839, contracts were made for grading single track from the western end of the ten-

mile section to Goshen, thirty-five miles, with the exception of two miles of piles. Proposals at the same time were received for grading a further distance of seven miles to Middletown, and contract for one mile was let. These contracts amounted to \$330,000, or \$8,250 per mile. A portion of the timber for superstructure had been purchased; it being deemed practicable to finish it within the ensuing year. New surveys were begun in the latter part of 1839, and new examinations of the Shawangunk ridge began January 30, 1840. Resurvey of the Sullivan route was making; also from Binghamton west to the Genesee River, and from the western boundary of Allegany County through Cattaraugus and Chautauqua counties. There had been finally located 103 miles—fifty-three miles on the Eastern Division, forty in the Delaware Valley, and ten in Chautauqua County. Between fifty and sixty miles were graded ready for superstructure.

This petition was an elaboration of the official report for 1839, which also thus stated the condition of the Company's affairs:

*Report of the Receipts and Expenditures of the New York and Erie Railroad Company during the Year 1839.*

RECEIPTS.

Balance on hand, January 1, 1839.....	\$1,180 26
From collections on stock and interest thereon.....	\$54,151 02
Rents.....	650 00
Temporary loan.....	11,000 00
Proceeds of sale of \$300,000 of 4½ per cent. State stock.....	245,225 00— 311,026 02
Total.....	\$312,206 28

EXPENSES.

For grading, timber for pier and superstructure, and laying of a portion of latter, compensation of commissioners and agents in getting land for roadway and stations, fences, etc.....	\$229,423 18
Costs of said lands and fences, legal proceedings in acquiring title, etc..	42,899 19
Salaries, rent, fuel, stationery, printing, postage, and incidental office expenses.....	4,229 67
Interest on temporary loan, auctioneer's charges for selling State stock, county clerk's fees for searches....	5,937 75
Amount temporary loans stated in annual report for 1838.....	24,500 00— \$306,989 79
Leaving balance, December 31, 1839.....	\$5,216 49
February 19, 1840.	

WILLIAM M. GOULD, *Secretary.*

After a long fight against a "political reform" element in the Legislature, the amended legislation petitioned for was passed, and in a short time the entire line of railroad, except forty miles between Deposit and Binghamton, was under contract and the work was actively progressing. The ten-mile section of grading from Dunkirk eastward was completed, and the forty-seven miles between Piermont and Goshen were nearly ready for operation. "All this," said Eleazar Lord at the time, "without the aid of one dollar from a New York City stockholder, or the sympathy of its citizens."

Although the New York and Erie Railroad was being built greatly for the benefit of New York City, the political influence of the Erie Canal was so great that the people of the city, the power of Wall Street, and many of the metropolitan newspapers opposed the work and discredited the Company and its efforts at every turn. Thus it was that, in the face of the progress the work was making, and in spite of the fact that in twelve months the Company had risen from a condition of weakness and distrust to strength and confidence, damaging charges were set in circulation against its management. Eleazar Lord and his coadjutors were charged with sinister and selfish motives in locating the road; with favoritism in prices paid to contractors and in compensation of officers; with corrupt agreements with stockholders in Rockland and Orange counties, by which amounts of money subscribed were represented to the State Agent to be much larger than they actually were, to secure the payment of the State instalments; and with other corrupt and criminal practices and willful extravagance. In recognition of this situation, President Lord sent the following letter to the Speaker of the Assembly:

OFFICE OF THE NEW YORK AND ERIE RAILROAD  
CO., NEW YORK, *December 30, 1840.*

*To the Honorable the Speaker of the House of Assembly of the State of New York.*

SIR: This company having expended in the construction of this road about six hundred thousand dollars of money collected on their capital stock, and likewise the proceeds of eight hundred thousand dollars out of the three millions of stock loaned by the people of this State; and no special examination of such expenditure having been instituted on the

part of the State, other than that made during the past year by the inspector appointed pursuant to the act of 29th of April, 1840, I beg, through you, to express the unanimous wish of the directors that such investigation of the affairs and proceedings of the company may be ordered as to the Honorable the Assembly shall appear expedient.

With the further request that you would take the earliest occasion after the commencement of the session to submit this communication to the Honorable the Assembly,

I have the honor to remain,

Respectfully, your obedient servant,

ELEAZAR LORD, *President.*

The investigation was referred to the Committee on Railroads, February 4, 1841. The result of its labors was a report vindicating the management. This was not satisfactory to the enemies of the Railroad Company and its management, and the fight against them was kept up with increased bitterness, the old charges being reiterated and new ones made. Another and more thorough investigation by the Legislature was demanded and, May 24, a special investigating committee was appointed. The report of this committee not only exonerated President Lord and his management, but incorporated in its report the following:

The result of this investigation not only exonerates the company, its officers, and its agents from everything like a charge of fraud or mismanagement or attempt to evade the law, but it proves on the contrary that they are justly entitled to the confidence which the Legislature has heretofore reposed in them. Instead of being liable to censure, the company is entitled to approbation."

In spite of this official indorsement of the Erie management, the political enemies of the project continued their fight against it, charging that the legislative reports were influenced by the behests of Whig politics. President Lord resigned May 28, 1841, but before resigning he took up the interests of original stockholders in the Company who had suffered great financial loss by the disastrous fire in New York City in 1835, but who had made payments on their stock previous to that time. He proposed to the Board of Directors that those stockholders, by paying \$5 per share on the stock they held, be permitted to relinquish to the Company such original scrip and receive full certificates of stock for the amount of payments they had made, with a release from liability for all outstanding contracts. This was agreed to by a resolution of the Board, and the

contractors assented to the exempting of such original stockholders from liability. By this arrangement a large sum of money was turned into the Company treasury. Mr. Lord left the Company with its affairs in apparently sound condition, and its prospects seemed promising. The State had paid eleven of the \$100,000 instalments of the \$3,000,000 loan to the

Company, or \$1,100,000 in all. The Eastern Division of the railroad, as the section between Piermont and Goshen was called, was rapidly approaching completion, and the work was progressing on other parts of the line, so far as outward indication was, with an activity that augured well for an early opening of the entire road.

## CHAPTER VII.

### ADMINISTRATION OF JAMES BOWEN—1841 TO 1843.

I. A GOLDEN OPPORTUNITY THROWN AWAY: The Fatal Mistake that Made Possible All of Erie's Subsequent Woes — But for that Mistake there would be no Vanderbilt Kingdom, and the History of Wall Street and of Railroads in this Country would have been Entirely Different — All of the Present Great Terminal Possessions of the Vanderbilt System at Forty-second Street in New York City might have been Erie's by a Nod of the Head and the Outlay of Less than \$90,000! — The Offer not Accepted. II. GETTING RESULTS, GOOD AND BAD: Rosy Prognostications on the Threshold of Disaster — The Company's Treasury again Empty — And Owes \$3,000,000 to the State — Politics, the Press, and the Erie Question — Futile Aid Meetings in New York — The State Turns its Back, and the Company Assigns — The Railroad Advertised for Sale, but the Sale Postponed by Action of a Special Session of the Legislature.

#### I. A GOLDEN OPPORTUNITY THROWN AWAY.

JAMES BOWEN, who was then Vice-President and Treasurer, was elected to succeed Eleazar Lord as President of the Company, and he had the honor and glory of presiding on the historic occasion when the first portion of the New York and Erie Railroad was opened for traffic, although it was through no direct effort of his that the work had progressed thus far. Others who had been striving and hoping for years for even this consummation of the long-laid plans had no active part in the event. Upon many such not even the courtesy of being an invited guest was bestowed. Mr. Bowen was a native of New York City, a man of wealth, a member of the Union Club, and of the Kent Club, famous in that day, in which James Watson Webb, Moses H. Grinnell, Richard M. Blatchford, and similar spirits, were conspicuous. President Bowen was a leader in that coterie, and was especially an intimate of General Webb. The latter had supported the New York and Erie project in his paper, *The New York Courier and Inquirer*, from the beginning, and it was as a friend of his that James Bowen entered the Directory of the Company, and through his influence that Bowen was advanced to the Presidency.

So far as the public knew, the affairs of Erie were easy. Work was actively progressing all along the line. On the Eastern Division it had reached a stage so near completion that it was only a matter of a few weeks when the track would be laid the entire distance between Piermont and Goshen and the rail-

road put in operation. In fact, a month after Bowen became President, a train was run between Piermont and Ramapo, a distance of twenty miles. Already the fact that, even with the railroad in operation on the Eastern Division, its Eastern terminus would still be nearly twenty-five miles from New York City, which distance was to be overcome by steamboat between the city and Piermont, began to excite much discussion, and the advantage that would accrue to the Company if it might have the terminus at or near New York became apparent to observant people who gave the matter thought. "A railroad that begins twenty-five miles away from the place it was chartered to bring into communication with some other place," the Hon. Francis Granger remarked in opposing an effort of the Company to obtain public aid, "does not seem to be warranted in supposing that it is entitled to a confidence in its purposes that it would have if it could show that it would deposit its traffic where it protested it intended to deposit it." The charter of the Company gave it the privilege of constructing its railroad from New York, or from a point near New York. The uniting of the seaboard with the lakes by a railroad which would attract traffic of the great West to New York was the one idea the projectors of this railroad dwelt upon in seeking the charter. So the fact that the road was to come no nearer the great center of the country's trade than twenty-five miles grew to be a question of much comment.

April 25, 1831, almost a year to a day before the corporation that became the New York and Erie



GENERAL JAMES BOWEN.



Railroad Company was chartered, the New York and Harlem Railroad Company was granted letters of incorporation, with authority to construct a single or double track railway "from any point on the north bounds of Twenty-third Street to any point on the Harlem River, between the east bounds of the Third Avenue and the west bounds of Eighth Avenue, with a branch to Hudson River, between 124th Street and the north bounds of 129th Street." April 6, 1832, the charter was amended to authorize the company, with permission of the authorities of New York City, to extend its railroad "along the Fourth Avenue to Fourteenth Street." May 12, 1836, the company was authorized to unite with any railroad or canal company organized under the laws of New York State, for the purpose of constructing a railroad, at any point which the directors of the two companies might agree upon. Subsequent legislation empowered the company to extend its railroad to the City Hall. May 7, 1840, the company was authorized to extend its railroad from the Harlem River through the County of Westchester to a point of intersection with the proposed New York and Albany Railroad. The company was also authorized to build a drawbridge across the Harlem River.

At the session of the New York Legislature for 1841, the New York and Harlem Railroad Company was a petitioner for the aid of the State to the amount of \$350,000, by the issue of State stock at six per cent. interest, payable in five years, to enable the company to continue its work; the railroad being then in operation from the City Hall in New York to Fordham, a distance of thirteen miles. To influence feeling in its favor the company laid particular stress on the fact that by this concession a communication by rail between New York and Albany would be greatly hastened. This petition was presented to the Legislature, January 26, and was referred to the Senate Committee on Railroads. The application was refused.

At this time work on the Erie was at the height of its activity. Eleazar Lord was President of the Company. The President of the New York and Harlem Railroad was Samuel R. Brooks. He seems to have been a far-seeing man and a practical one. The New York and Albany Railroad scheme was

languishing, as were most of the railroad enterprises then, and President Brooks, failing to obtain aid from the State for his company, and seeing no immediate future for the New York and Albany Railroad that would benefit him, turned his attention to the Erie, a brief study of the scope of which project convinced him that not only its future greatness, but the salvation and enhancement of his own railroad, lay in a union of the two.

There is no record to show how his idea was received by the Erie management. Eleazar Lord, in his scathing review of the Erie, published in 1855, makes no reference to the Erie-Harlem incident. That President Brooks did submit it to the Erie authorities would seem to be established by the fact that, March 18, 1841, Mr. Furman, of the Committee on Railroads, presented the petition of the New York and Harlem Railroad Company for an act authorizing it to connect its railroad with that of the Erie by branch railroad, and March 27 brought in a report from his committee, of which the following is a part :

The New York and Harlem River Railroad Company having been authorized by an act of the Legislature of this State, passed May 7, 1840, to construct their railroad through the County of Westchester, and the New York and Erie Railroad having on the same authority built their road from its termination at Piermont opposite the said County of Westchester on the Hudson River, and are now engaged in vigorously prosecuting the same through the Southern Tier of the counties of this State to Lake Erie, it has been deemed very desirable that these two roads should be connected by a branch railway, extending from the Harlem road in Westchester to a point opposite, or nearly so, to the termination of the great Southern railroad at Piermont, and that this union should be further effected by a steamboat ferry across that river, being a distance of two miles, for transporting the cars, etc., from the one road to the other, thus opening a direct communication through those Southern counties with the city of New York. The point at which this branch road should begin, it was thought, should be located near Kane's quarry, which now affords the marble for the construction of the new Custom House in the city of New York, the General Post Office in the city of Washington, D. C., and for other public buildings, and which quarry will of itself afford a very large amount of business for that branch road, in transporting the stone to the Hudson River, in order that it may be shipped to its destination. Another important consideration in the construction of the proposed road is that it will enable the various descriptions of produce which are brought from those Southern counties for the consumption of that great city to be distributed at the various depots through it, from the Harlem River to the City Hall, where the same may be required, in place of being drawn up from the wharves at the rate of

one lollar per load to Forty-second Street, and one dollar and fifty cents per load to Eighty-second Street, or the center of the island. The diminution which the construction of this road will make in the cost of transportation to the consumer, especially in the upper portion of the city, it is believed will be immense in the aggregate. And during the winter, when that river is closed by ice, and that great work of the New York and Erie Railroad passes its passengers and freight upon the New York and Harlem Railroad by means of this branch road, it is quite obvious that this connection will not only prove beneficial to the stockholders of both companies, but will afford great facilities and accommodation to the public. In this view of the subject it is hardly possible to estimate the value and importance of this connection of the Harlem road with that of the New York and Erie Railroad Company opposite Piermont, a distance of only eighteen miles and a quarter from the Harlem River.

Even though it might have been that President Brooks had not consulted with the Erie management upon this proposed connecting of the Harlem with the Erie, it does not seem possible that the Erie Directors, representative men of affairs that they were, should not have at once become inspired with the greatness of the idea suggested by the Harlem proposition. It does not alone seem impossible. In the light of present events it stands forth as incredible, startling. But greater stupidity, or whatever it might have been that impelled the Erie management to its criminal supineness, was to come.

The petition for authority to make the connection with Erie and the report in favor of a bill were unnecessary, for the charter of the Harlem Company gave it that power, a fact which both President Brooks and the legislators had overlooked. This oversight was evidently discovered, for no further legislative action was taken in the matter. But although the Harlem Company had the power to build the branch railroad to make connection with the Erie, it did not have the means, and this prepared the way for the golden opportunity which the Erie deliberately, and, so far as there is anything to show to the contrary, contemptuously, threw away. What this opportunity was the following correspondence vividly reveals :

PRESIDENT BROOKS TO PRESIDENT BOWEN.

OFFICE OF THE NEW YORK AND HARLEM  
RAILROAD CO., *August 17, 1841.*

JAMES BOWEN, ESQ., *President of the N. Y. and Erie R.R. Co.*

DEAR SIR: I beg to call your attention to the subject of a branch railroad from the extension of the Harlem Railroad

in the valley of the Bronx, in Westchester County, to a point on the Hudson River opposite the present terminus of the Erie Railroad at Piermont. I have had a survey made of the proposed branch, and have the pleasure to transmit herewith a copy of it for your information.

You will learn from this report of a survey by Allen A. Goodliff, Esq., that the distance from the Harlem Railroad, in the valley of the Bronx, to the Hudson River, opposite Piermont, is eight and a third miles.

The total cost of a railroad between these points, including superstructure, as carefully estimated from minute data, is \$131,618.82, equal to \$15,796.09 per mile, and with a grade not exceeding forty-four feet per mile.

No allowance for the right of way is included in the above estimate. The distance from the City Hall to the point of commencement of the present survey of this branch is eighteen miles—adding thereto the branch of eight and one-third miles gives the distance from the City Hall to the Hudson River opposite Piermont, twenty-six and one-third miles; and with two miles of ferry across the Hudson at Tappan Bay makes twenty-eight and one-third miles from the City Hall to the present terminus of the Erie Railroad, at the pier on the Hudson River, which, with the fifty miles of railroad already completed from that point to Goshen, would afford to the public a continuous line of railroad from the City Hall of seventy-eight and one-third miles toward Albany—being more than half the distance between that city and the city of New York. I beg to inquire whether your company are willing to undertake to construct this branch of eight and one-third miles and rent it to this company for a term of ten or twenty years at 7 per cent. interest per annum on the cost, we to keep it in perfect repair—the track to be the same width as our present road?

On these conditions we will undertake to furnish you a subscription to the New York and Erie Railroad Co.'s stock for one-third of the cost of the road.

If your Board of Directors are pleased to entertain the consideration of this subject you are hereby authorized to state that this company are prepared to furnish you at once with the subscriptions for one-third of the cost of the road, and to offer to you the benefit of such business as our road can furnish to your road, which will present to the public a direct railroad route from the City Hall to Goshen, a distance of seventy-eight and one-third miles, on or before the first day of January next, provided you decide upon the adoption of this proposal within a few days. Your early reply is respectfully solicited.

With great respect, your most obedient servant,  
SAMUEL R. BROOKS, *President.*

PRESIDENT BROOKS TO THE ERIE INVESTIGATING COMMITTEE.

OFFICE OF THE NEW YORK AND HARLEM RAIL-  
ROAD CO., NEW YORK, *September 6, 1841.*

*To the Committee of Investigation appointed by the Legislature on the Affairs of the New York and Erie Railroad Co.*

GENTLEMEN: I beg leave to enclose herein copies of the report of Allen A. Goodliff, Esq., of a survey of a line of railroad from the extension of the Harlem Railroad, in the valley of the Bronx, in Westchester County, to the Hudson River, opposite the terminus of the New York and Erie Railroad at Piermont. The contractors of the extension of the Harlem

Railroad have engaged to have the road complete about one mile beyond the proposed point of connection on or before the first day of January next; the road is already complete, and in daily use, twelve and one-half miles from the City Hall. I also enclose a copy of the letter I have addressed in behalf of this company to the President and Directors of the New York and Erie Railroad Co., proposing to them the immediate construction of the eight and one-third miles which would connect these two important works, to the great accommodation of the public, and the certain benefit of both companies.

Permit me to inform you that the Board of Directors of this company will esteem it a favor if you would express to the President and Directors of the New York and Erie Railroad Co. your views on this subject.

With great respect, I have the honor to be

Your most obedient servant,

SAMUEL R. BROOKS, *President.*

#### ERIE INVESTIGATING COMMITTEE TO THE ERIE.

NEW YORK, *September 14, 1841.*

*To the President and Directors of the New York and Erie Railroad Company.*

The President of the New York and Harlem Railroad Company has made an official communication to this committee, under date of the sixth of September, instant, transmitting a copy of a letter addressed to the President and Directors of the New York and Erie Railroad Company, dated August 17, 1841, in which the New York and Harlem Railroad Company invited the New York and Erie Railroad Company to extend their railroad eight and one-third miles into the County of Westchester, for the purpose of intersecting and joining the New York and Harlem Railroad in the valley of the Bronx at a point eighteen miles distant from the City Hall. In the communication referred to, the committee have been requested to express to the President and Directors of the New York and Erie Railroad Company the views suggested to their minds from a consideration of the subject.

Although desiring to confine themselves strictly within the sphere of their duties, yet the committee, feeling deeply impressed with the importance and usefulness to the public of a continuous railroad from our vast interior to the very center of the city of New York, have most willingly given to this subject their deliberate consideration.

They have carefully examined the matter in the various aspects it has been presented, not only as regards the present, but in reference to the future, to the full period of the duration of the respective charters of both companies. From this examination they have been led to the conclusion that the proposed connection between these two important public works would result in mutual benefit to both, and most especially to the public at large.

The undersigned have personally passed over the New York and Harlem Railroad from the City Hall to Fordham—a distance of twelve and one-half miles. They were conveyed at the rate of thirty miles per hour over the four and one-half miles of road now constructed in the County of Westchester, with an edge rail of the same weight as that used in the construction of the New York and Erie Railroad.

The undersigned were gratified to find, in their visit to the line of the proposed extension of the road, that the company were actively engaged in extending this road, not only to the point proposed as a junction with the New York and Erie Railroad, but to the town of White Plains, and thence through

the County of Westchester. They ascertained from the contractors whom they met with on the line that they had actually contracted to have that portion of the road completed which extends to the proposed point of intersection with the New York and Erie Railroad Company, on or before the first of January next, notwithstanding the pecuniary embarrassments of the period and the obstacles interposed by clashing interests.

As the control and management of the different lines leading into the city have been placed under one direction, they could arrive or depart without collision or conflict and afford the greatest convenience to the public. Several depots may be provided for passengers, merchandise, and produce, so that the one may not embarrass the other, and the greatest degree of punctuality, despatch, and economy be obtained in the management of the vast inland trade destined, at no distant day, to pour into the city of New York through the channel of communication.

The New York and Harlem Railroad has been completed to Fordham by individual enterprise, unaided by the bonds of the State, and the causes heretofore operative in creating opposition or difficulty have ceased to exert any material influence. It will not be denied at this day that the advantages of a speedy conveyance are often of greater value than the whole charges of transportation. Experience testifies that increased facilities of intercourse between distant places and, more especially, seaports and the interior of a country are among the most effective means of extending individual and general prosperity. The proofs and instances which sustain this assertion are not confined to the case of any one country, or district, although they are more observable in communities where the resources of wealth and commerce already possessed by the inhabitants enable them to turn every advantage, as it arises, to immediate account.

In England, whenever new channels of communication have been opened, either between different parts of the interior, or the interior and the coast, or between different seaports, one with another, or with other countries, whose opportunities have invariably been embraced without delay, the degree to which intercourse is not merely promoted, but actually created by the facility of accomplishing it, could scarcely be credited but for the numerous and authentic examples which establish the fact.

This committee have been officially informed that the entire investment made by the New York and Harlem Railroad at this day amounts to \$1,358,302, including cost of road, real estate, appendages, and appurtenances of every kind. That the establishment, as now constituted, actually performed and traveled in their cars, in the year ending the first of September, 1840, no less than two hundred and ninety-seven thousand five hundred and sixty-four miles and conveyed, during the same period, upwards of one million of passengers.

The committee conceive that a road of the peculiar location and usefulness of this; extending from a great and growing city through an island of length without breadth, to the only bridge communication that, in all probability, can ever be made; with roads extending to every section of the East and North, presents strong claims upon the New York and Erie Railroad Company to unite them to the immense continuity of railroads from the South and West; especially as it can be done by the construction of only eight and one-third miles of railroad and an expenditure not exceeding \$150,000.

With these facts before the committee, they feel themselves safe in saying that they conceive such a connection cannot

result otherwise than beneficially to the interests of both companies, and be eminently conducive to individual and general prosperity.

(Signed)

A. G. CHATFIELD.  
G. G. GRAHAM.  
WM. B. McCLAY.

There is no record of any reply from President Bowen or any of the Erie Directors to either the communication from President Brooks or that of the Investigating Committee (the committee appointed in 1841 to investigate the Erie management). If such reply was made, it must have been a refusal on the part of the Erie management to consider the proposition made by President Brooks, for the project progressed no further. Why a matter so important and vital to Erie should have been ignored it is difficult at this late day, without any recorded motive for it to guide one, to conceive. The Erie, to be sure, was approaching a crisis in its affairs which only those in the secrets of the management knew the seriousness of, but, in the hands of a directory competent to grasp the consequences of such a coalition as was offered, the presentation of them to public consideration would have at once established a confidence in the result that would not only have averted the impending crisis but would have placed the Erie for the first time on a substantial footing. It would no longer have been derisively termed "a railroad starting from nowhere and bound for no place." To accomplish the work this union of interests called for, the Company could well have afforded to suspend all operations on the Western portions of the route to save money thus being used and use it to build the Harlem branch. Politics played a leading and demoralizing part in the affairs of Erie in those early days of its struggles, and were responsible for many of the ills that befell the Company. It might have been that their hand was in this greatest of all Erie misfortunes. Individual interests largely controlled the direction of Erie's initial policy, as they have largely controlled the policy of her later days and always to her undoing. Perhaps they might have had a sordid clutch upon her and held her away from this, the opportunity of her life. Whatever or whoever it might have been that stood in the way of her disenthralment made Erie vulnerable to the assaults that have brought her low many a

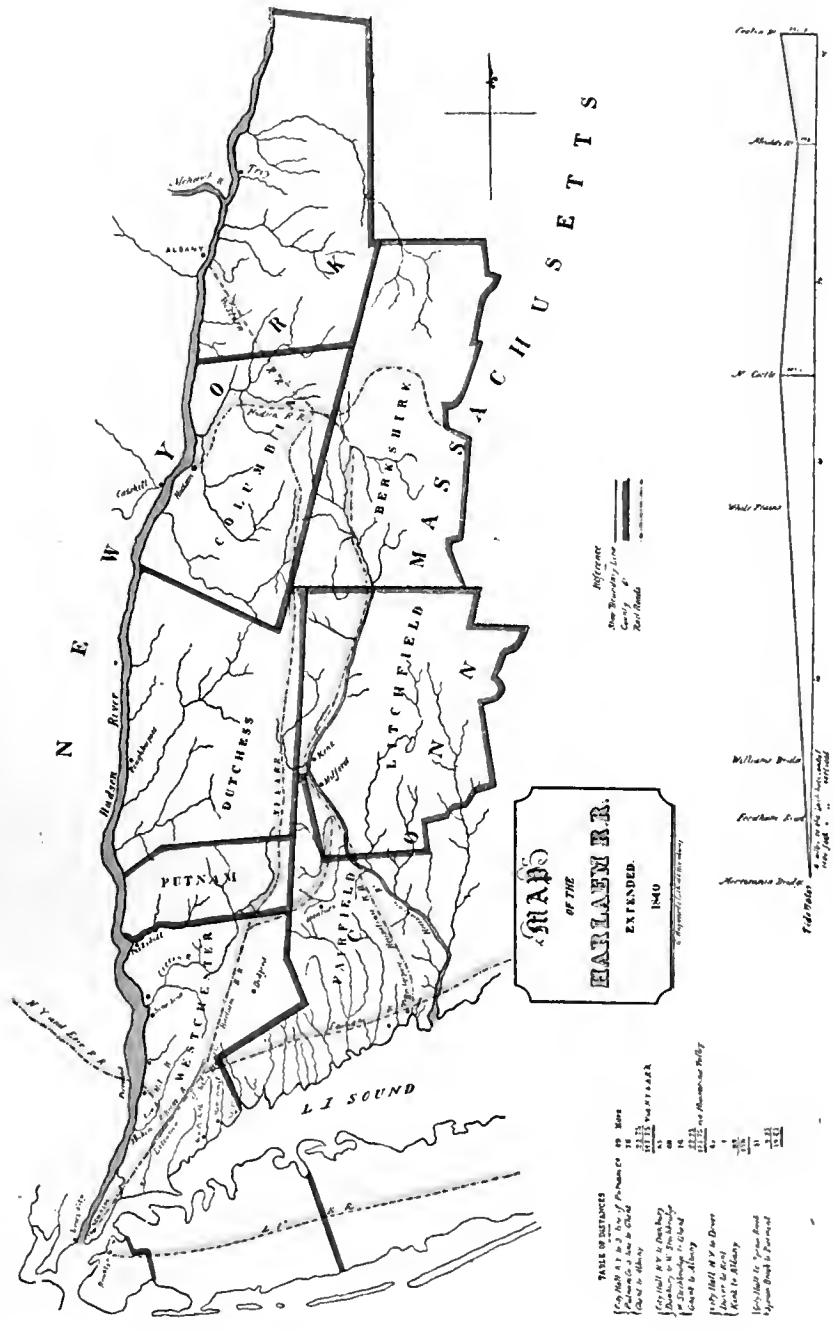
time since then, and bowed her shoulders to the burdens that have grown and grown with the passing years until they became heavier than she could bear. With the consummation of President Brooks's project Erie would have borne up even under the burden of the broad gauge, that costly heritage of folly, whose evil consequences are entailed on Erie for all her days.

True, the proposed Harlem branch was to have been paid for by the Erie, with the exception of one-third of its cost, and leased to the Harlem; but, if there had been a genius, or even a man competent to look a year ahead of his time, at the head of Erie, how easily a union of interests, especially in the situation the Harlem Railroad Company was then, could have been cemented between the great Erie and the little Harlem for all time, such as would have made the Erie the master of Harlem and all that such a mastery implies. What would a Jay Gould or a Thomas A. Scott have done with such an opportunity?

But the incomparable prize was declined by the then controllers of Erie. The Harlem, with all its great privileges in the heart of the metropolis of the Union, languished and grew slowly, a companion football with Erie in Wall Street. Then Cornelius Vanderbilt dreamed his dream of railroad empire and builded it on this very despised little Harlem Railroad. The great Vanderbilt system of to-day is centered where the Erie might have been and should have been. It is idle to speculate on how different the country's commercial affairs and individual power and fortune would have been if shortsightedness, incompetence, or what you will, had not reigned in Erie management two generations ago. It is reasonable to say, however, that there would have been no Vanderbilt kingdom, no Gould dukedom to-day. Who might now be the King of Erie it is impossible to know; but he would be the greatest railroad monarch of the age. And an outlay of less than \$90,000 in 1841 would have made him such!

## II. GETTING RESULTS, GOOD AND BAD.

Although that within a month after James Bowen became President of the New York and Erie Rail-



(This map was made to show how it was proposed to connect the Harlem Railroad with the Erie at Piermont, and is a reproduction from the original. If this connection had been made, the Erie would be to-day where the New York Central is so royally housed in New York City.)



road Company the road had been put in operation for more than twenty miles, and that this was followed, in a few weeks (September 23, 1841), by the opening of it to traffic between New York and Goshen; and in spite of the enthusiasm shown by the distinguished and influential men from all walks in life who witnessed and participated in the celebration of that opening, and of the sanguine eloquence and cheerful tone of confidence that marked the sentiments expressed when the future prospects of the Company and the railroad were discussed on that eventful day, the Company was even then on the threshold of disaster, and none knew it better than its President, who still had the heart to face the unwelcome fact with glowing and assuring words.

The unfortunate situation had been brought about, according to the protestations of the management, by delay in getting iron rails for laying the track on the Eastern Division, thus postponing the opening of that section weeks beyond the announced time; the failure of contractors on other parts of the work to keep their terms with the Company, and the rumors that parties interested in the road were taking advantage of their places to serve individual ends at the expense of the enterprise itself—all these things and more, the Company declared, were made use of by the increasing enemies of the road, who, by skillful methods of keeping them continually before the public in an unfavorable light, destroyed confidence in the management. Moreover, the New York Legislature of 1841 had been dominated by influences that were set with determination against the giving of any further State aid to public improvements, and private capital became more reluctant and cautious than ever. There were evidences, too, of an impending revulsion in commercial and financial affairs. So suspicious, in fact, were investors that, in June, 1841, an offering at public sale at \$100,000 of Erie certificates, with the State's guarantee, and under direction of the Comptroller of the State, had been withdrawn without a sale, the bids, owing to the weakness of the money market, being far below the value of the security.

Time dragged on ominously. The contractors kept at work on the road, but the most of them in a

half-hearted fashion; for the Company was much in arrears to them for labor and materials furnished. Finally, at a meeting of the Directors, held at the Company's office, 35 Wall Street, November 15, 1841, the fact was brought forward by the President that the State loan was nearly exhausted and that, in consequence of that emergency, it would be well to notify contractors, through the Commissioners of the Divisions, that the Company could pay no further drafts on their own responsibility until the requisite assistance was secured. The suggestion was accepted by the Board, and notification to that effect was sent to the contractors, who were engaged chiefly on the Susquehanna Division. The circular announcing this to the contractors stated that the balance of the State loan, after paying the drafts then accepted, was about \$200,000, but that liabilities for cars, engines, etc., for the Eastern Division, and the interest soon to be due on the State stock, would absorb all that amount. Some of the contractors on the Eastern Division decided to continue work, on condition that a portion of the money for work done in November be paid them in cash or acceptances of the Company. The exact financial condition of the Company was ascertained from the Treasurer, and it showed that, after paying its outstanding liabilities, the Company would have a surplus of \$163,549. It was resolved, therefore, to accept six months' drafts of the contractors to the amount of \$100,000. This left enough money in the treasury to pay the interest on the State stock that would fall due the following April, and other contingent expenses; but, in the latter part of November, the State 6 per cent. stock declined on the market from ninety-three to seventy-eight, and money was scarce. The Company was forced to hypothecate for temporary loans, at the depreciated price, the stock it had been reckoning on, and the embarrassment that prevailed compelled it, as we shall see, to announce to the Legislature that default would be made on the interest due April 1, 1842. Contractors continued to work and advance money to their help, relying on the expected State aid to relieve them in good time.

As early as 1836, E. F. Johnson, who was engi-

neer in charge of the new survey of the route between the Hudson River and Painted Post, in Steuben County, N. Y., discovered the difficulties of the original route through the interior of Sullivan County as compared with a route up the Delaware Valley from the Neversink Valley, and so reported. This change continued to be agitated until the people of central Sullivan became alarmed, and in 1839 agreed to pay for the services of a surveyor to resurvey for a route through the interior of the county, the payment to be made good to them by a transfer of \$20,000 in the stock of the Company to the contributors, provided the report of the engineer on such a route was not accepted. The report was not accepted, and the \$20,000 in stock was transferred according to agreement. The people concerned were not content to abide by the decision, however. They had contributed largely toward the construction fund of the Company, and John P. Jones, one of their number, had been of invaluable service to the undertaking in the Legislature. The talk in favor of the proposed change of route to the Delaware Valley led to an emphatic protest against it by the people of the interior of the county, which protest was voiced by John P. Jones, William E. Cady, and Daniel B. St. John, who, as a committee, met President Eleazar Lord at Goshen in the summer of 1840, and he assured them then, and by subsequent correspondence, that the change should never be made in Sullivan County with his consent, and that all his influence should be used against it. A change of route between Deposit and Binghamton was also suggested by Engineer Johnson in 1836, and it, too, began to be talked about, with such result that those in favor of a different course for the railroad between the Delaware and the Susquehanna valleys secured the passage of an act by the Pennsylvania Legislature in 1841, authorizing the Company to enter that State with the railroad and pass through Susquehanna County. At the time the resurvey was made in central Sullivan, the engineers of the Company made surveys for the proposed route up the Delaware and for the change between Deposit and Binghamton, completing them in 1841; and in 1842, under President Bowen, the Company's attitude became so favorable to the new routes that, at the session of the

New York Legislature for that year, citizens of Sullivan, Ulster, and Orange counties presented petitions protesting against the movement, and the Committee on Railroads of the Senate made a report adversely to it, and asked leave to bring in a bill to prevent it. The bill was reported, but rejected.

It was seen early in the session that both branches of the Legislature of 1842 were opposed to the further loaning of the credit of the State to the New York and Erie Railroad Company, and that no hope of direct pecuniary aid from that source could be entertained. It was therefore necessary to rely on individual subscriptions to the capital stock of the Company. As an inducement to capitalists to make large investments, it was important to obtain the passage of a law tending to secure the completion of the railroad and relieve the Company from the large annual payments of interest on the State loan. A bill of that character was introduced in the Senate by Mr. Faulkner. This bill provided that the Company should be authorized to borrow money to the amount of \$3,000,000, and pledge the road for the payment of the same, and that the debt thus created would be a prior claim to that of the State for the \$3,000,000 already lent to the Company. In expectation that the bill would become a law, the Company obtained subscriptions in the city of New York amounting to nearly \$400,000, the subscriptions to be valid only on the condition that \$1,000,000 in all should be subscribed. The Company's management of that day has put it on record that "there is abundant evidence to believe that, from the interest manifested by every class of citizens in the construction of the road, a much larger sum than \$1,000,000 would have been obtained if Mr. Faulkner's bill had passed. On the line of the road, assurances were given by leading citizens that large additional subscriptions would be made. Contracts on highly favorable terms could have been concluded, and the road from Binghamton to Lake Erie would have been put in use during the present year" (1842). The advocates of the measure for further State aid for the Company were content to assume that the refusal of the Legislature to grant that aid was due to the critical condition of the financial and commercial interests of the country, but that there was some

deeper cause than this was broadly charged by the press and by public speakers, not only at large, but by those in towns directly interested in the completion of the railroad.

"It is the misfortune of this great project," wrote a leading Southern Tier editor of that day, "that it fell into the hands of men who had neither the means nor the will to carry it steadily and economically to its termination, but of those thinking to speculate and enrich themselves upon the bounty of the State and the few thousands of the hard earnings of the farmers and others residing along the line, who were interested in its completion. The \$2,000,000, honestly applied, would have done all that the \$3,000,000 loaned by the State and all that has been paid by stockholders have done. It is downright effrontery for them to ask for more, with the threat that unless they got it, the State would lose its three millions."

The situation was put still more pointedly by a communication read in the Legislature during the discussion on the Faulkner Bill, in 1842, as follows :

In 1836 an act was passed for loaning three millions of dollars to the New York and Erie Railroad Company, coupled with conditions that the Company should construct a track from the Delaware and Hudson Canal to the Chenango Canal, a distance of about 145 miles, before any stock should be issued by the State, and when so much of the road was completed out of the funds raised from the stockholders, the State was to advance \$600,000, and to continue its loan from time to time as the work progressed, until the sum amounted to \$2,000,000, and the last million was to be paid not until the road was completed from the Hudson River to Lake Erie. If the restrictions of the law had not been relaxed the people would have saved the \$3,000,000 loaned to the said Company by subsequent laws, and not thrown upon the treasury. In 1838 a law was passed providing that one dollar of State stock should be issued for each dollar expended by the Company, the expenditure to be proved by the affidavits of the Treasurer and two of the Directors of the Company. By the aid of this law the Company obtained \$100,000 of stock in December, 1838, and \$200,000 in June and August, 1839. In 1840 an act was passed authorizing two dollars of stock to be issued for each one dollar raised and expended by the Company, and also authorizing stock to be issued equal to the amount loaned to the Company in 1838 and 1839, so as to give the Company two dollars for every dollar it had expended since the commencement of the work. Under this law \$500,000 were issued to the Company in 1840; \$2,000,000 in 1841; \$200,000 in January, 1842. From November, 1841, to the 29th of January, 1842, less than ninety days, the officers of the Company received from the Comptroller \$800,000 of 6 per cent. stock; within sixty days after the last \$100,000 was received, the President of the Company announced its insolvency and in-

ability to pay the interest on the first of April on the three millions of stock loaned to the Company.

A generation or so later the affairs of Erie came to be largely talked about in connection with managements that, with apparent ease, raised millions of dollars on account of this same Company, the expenditure of which was then a deep mystery, and is a deep mystery still, so far as it showed results in the betterment or extension of the road and its property; but here, perhaps, those later managements found a precedent.

The condition of the Company's affairs had been made officially known January 20, 1842, by a petition presented to the Legislature praying for aid. According to this, the railroad was in operation between Piermont and Goshen, forty-six miles, with necessary depots and cars and engine houses; substantial edge rail, fifty-six pounds to the yard, laid on longitudinal timbers framed together and covered by cross-ties at short intervals; a pier 4,120 feet long; steam and tow boats to carry passengers and freight; five locomotives; numerous passenger and freight cars, and four trains conveying daily 250 passengers and 200 tons of merchandise, "withdrawing from Philadelphia the trade of West New Jersey, and the border Pennsylvania counties." The work, besides that between Piermont and Goshen, was under contract as follows: Goshen to Middletown, seven miles; Middletown to the Shawangunk ridge, nine miles; Shawangunk ridge to Callicoon Creek, fifty-nine miles; Callicoon Creek to Deposit, forty miles; Deposit to Binghamton, thirty-nine miles; Binghamton to Hornellsville, 117½ miles; Hornellsville to Dunkirk, 132½ miles—total 229 miles, of which 117 miles were graded in 1841. Iron rails were laid six miles east of Dunkirk to stone quarries, where stone was obtained for the breakwaters in Dunkirk Harbor. Three cargoes of iron had been purchased, one sent to Dunkirk, to be laid during the winter of 1842, to extend the road to the westerly line of Cattaraugus County. Locomotives were to be placed on that part of the road at an early day. The work between Binghamton and Dunkirk was so far advanced that it would be completed and in operation by October 1, 1842, if adequate pecu-

niary aid was forthcoming. The petition laid stress on the fact that the railroad would be a military road, capable of transporting an army of 25,000 men with munition and camp equipments from New York to the shores of Lake Erie in forty-eight hours, and express in sixteen hours. "From the present disturbed relations with Great Britain," the petition argued, "it is conceived that these considerations are deserving of the serious attention of your honorable bodies."

Here are further arguments used by the petitioners, which are interesting as showing the peculiar commercial relations of the metropolis with the country at large in those days, and the lack of means of transportation it possessed to collect the internal commerce of even a nearby tributary region to itself :

"The New York and Erie Railroad traverses eleven counties, containing a population of 341,296 inhabitants; and adjacent to it and to be benefited by it there are, in this State and the States of New Jersey and Pennsylvania, twenty-four counties, containing 496,000 inhabitants, making the aggregate number of 837,296. The number of taxable acres of land in this area is 10,600,000, and the taxed value of real estate is \$80,000,000.

"The population on the line and in the vicinity of the Erie Canal is 680,000, and the number of acres taxed is 9,500,000. It will thus be seen that the section of country to be benefited by the completion of this road is greater in extent than that which enjoys the advantages of the Erie Canal, while the population on the line of the road exceeds that on the canal by 150,000.

"A large portion of the trade of this vast region now flows to the cities of Philadelphia, Baltimore, Pittsburgh, and Cincinnati, by the Delaware, Susquehanna, and Alleghany Rivers. The commerce of a portion of our State, less than three hundred miles from the commercial capital of the Union, is yet drawn from our borders to distant marts, and our own citizens are compelled to pay higher for their purchases and to submit to lower prices for their products than the citizens of Massachusetts and Connecticut. Were the Erie Railroad completed this valuable trade would center in the city of New York; the transportation of products would be rapid and inexpensive and higher prices would be obtained for them, and a general and certain prosperity diffused throughout the country, where now there is but a bare remuneration for labor at hazardous risks.

"The advantages of cheap transportation of freight to the Alleghany River will add largely to the commerce of the city of New York by diverting from its present channels the trade of the Southwest and Western States, now possessed almost exclusively by Philadelphia and Baltimore.

"During the spring the whole of this important trade seeks the markets of our Southern neighbors, from the inability of New York to forward merchandise to those sections before the first of May, while the purchases are made in February and March. Were this road completed to the Alleghany River, always free from ice in March, this consideration alone,

independent of the rapidity of transportation, would be sufficient to secure this lucrative and increasing trade.

"The alarming increase of business on the Canada canals, derived chiefly from the Western States, clearly shows the necessity of constructing new avenues between the lakes and the seaboard, and multiplying the facilities of communication with the West, if we would preserve the relations with that section of the Union and continue to reap the annual harvest of that rich and growing country.

"It is estimated that 200,000 emigrants annually arrive in the ports of the United States. Were the New York and Erie Railroad completed it cannot be doubted that, from the facility it would afford for cheap and rapid traveling to the West, a large proportion of this class would prefer vessels bound to New York, and thus give a powerful impetus to the increase of our shipping; while, from the fact that the road could be traversed at all seasons of the year, this city would be relieved from a serious and increasing evil, caused by large bodies of emigrants arriving in the winter and spring, and sojourning here until the canal is navigable. Many of these people are thrown on our shores early in the year, with limited means of subsistence, ignorant of the language and friendless. The pittance they possess is soon expended, and long before the canal is open they become an onerous tax upon the charities of our citizens, or residing in the abodes of squalid poverty and of crime, they learn the ways of infamy while they are acquiring the language of their adopted country.

"In another respect the completion of the road is of high importance to the city of New York. There are in the city of New York and its immediate vicinity near 400,000 inhabitants. A large portion of this vast population is dependent, from day to day, upon manual labor for the means of subsistence. Owing to the high prices of provisions nothing more than sufficient to sustain life is obtained under the most prosperous circumstances, and when, from commercial embarrassments, or from other causes, there is no demand for labor, they are reduced to extreme distress, and compelled to solicit the assistance of their more fortunate fellow-citizens or depend upon the public charities for relief. In either case the result is the same; the spirit of self-dependence is broken, their energies are destroyed and they are no longer valuable citizens. By the reduction of the prices of provisions this distress and its consequent evils would be greatly diminished. There is no mode that will so effectually accomplish this desirable object as the completion of this road. It is respectfully submitted that the welfare of so large a portion of the body politic as is embraced in the class referred to is well deserving of your consideration.

"Your petitioners have expended, in the construction of the road, the proceeds of the loan of three millions granted by the Legislature in 1836; and, in addition, one and one-half millions derived from subscriptions to the capital stock of the Company, making an expenditure of four and a half millions of dollars. In the original estimate of the cost of the road it was supposed that six millions of dollars would be abundantly sufficient to complete it; but it was seen that to render the road effective as a means for the conveyance of the vast amount of freight that would be sent on it, a more substantial and expensive structure was necessary than was originally contemplated. The plan of construction was therefore changed, by substituting shorter bridges, more substantial masonry, widening the track, and laying a heavy edge rail instead of the flat bar in general use in this State. With

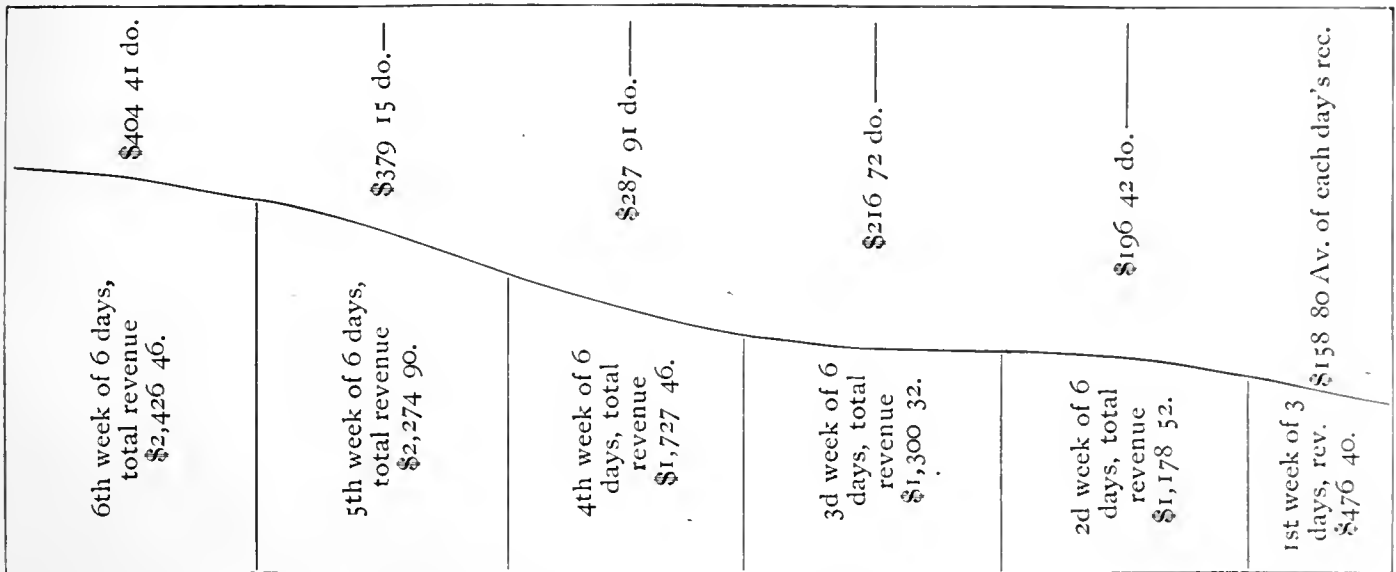
these modifications of the original plan it is estimated the road will cost \$9,000,000, or \$20,000 per mile.

"The means of your petitioners are exhausted; contractors and men employed on the road, numbering between 4,500 and 5,000, wait with solicitude to learn if they may be continued in employment; citizens on the line of the road, relying on the pledge of your petitioners to prosecute the work with unabated diligence, demand its fulfillment."

This remarkable document was signed by James Bowen, as President of the New York and Erie

The following exhaustive showing of the business of the road is of still more interest as a part of the original operations on the railroad, but it was not made until it was called for by the Legislature during the session of 1842; the making of reports having been, apparently, something to which early managers of the railroad attached but small importance, although the charter particularly demanded them:

A PROFILE EXHIBITING THE GRADUAL INCREASE OF REVENUE UPON THE EASTERN DIVISION OF THE NEW YORK AND ERIE RAILROAD, BETWEEN NEW YORK AND GOSHEN, FROM THE OPENING OF THE ROAD, ON THE 23D OF SEPTEMBER, TO 30TH OF OCTOBER, 1841—33 WORKING DAYS.



Oct. 30.

Horizontal scale,  $4\frac{1}{2}$  days to 1 inch—vertical, \$200 to an inch.

Sept. 23.

NOTE.—The receipts upon the 28th, 29th, and 30th of October average \$409.06 per diem.

Railroad Company, and was read in the Senate at Albany January 20, 1842. It was eloquent and persuasive, but availed the Company nothing.

Particularly interesting in the literature of Erie at this crisis in its affairs was the exhibit made public by A. C. Morton, Resident Engineer of the Company at Goshen, N. Y., early in 1842, showing how the earnings of the railroad were increasing. This exhibit accompanied a long presentation of argument designed to induce investors and the State to come to the aid of the Company, and the show of earnings of the road was put forward as indubitable proof of all he claimed. It is interesting now, and historically valuable, as being the very first report of Erie earnings ever made, and is reproduced above.

SCHEDULE OF THE RECEIPTS AND BUSINESS OF THE EASTERN DIVISION ON THE NEW YORK AND ERIE RAILROAD, FROM SEPTEMBER 23, 1841, TO DECEMBER 31, 1841, BOTH INCLUSIVE. THE FOLLOWING GENERAL SUMMARY IS GIVEN FROM THE ABSTRACTS:

FREIGHTS FOR THE MONTH OF SEPTEMBER.			
		Pounds.	Revenue.
Passing Westward.....	268,620		\$341 38
Passing Eastward.....	53,492		63 31
	322,112		\$404 69
FOR THE MONTH OF OCTOBER.			
Passing Westward.....	1,006,246		\$1,510 61
Passing Eastward.....	1,394,704		2,044 03
	2,400,950		\$3,554 64
FOR THE MONTH OF NOVEMBER.			
Passing Westward.....	2,120,830		\$2,550 61
Passing Eastward.....	2,693,815		3,446 01
	4,814,645		\$5,996 62

## FOR THE MONTH OF DECEMBER.

	Pounds.	Revenue.
Passing Westward.....	2,287,735	\$2,242 44
Passing Eastward.....	1,732,077	2,325 60

## RECAPITULATION.

Total Westward.....	5,683,431	\$6,645 04
Total Eastward.....	5,874,088	7,878 95
	11,557,519	\$14,523 99

Of this amount the Steamboat portion is.....	\$2,813 99
Of this amount the Railroad portion for toll is....	10,112 93
Loading.....	760 08
Unloading.....	836 99
	\$14,523 99

## THE NUMBER OF PASSENGERS AND AMOUNT COLLECTED THEREFROM:

## FOR THE MONTH OF SEPTEMBER.

	Passengers.	Revenue.
First-class .....	566½	\$671 59
Second-class .....	27	20 51
Add Steamboat revenue.....		\$203 26
Total .....		\$895 36

## FOR THE MONTH OF OCTOBER.

First-class Passengers.....	3,501	\$3,394 23
Second-class Passengers.....	209½	113 57
Add Steamboat.....		1,236 40
Total for October.....		\$4,744 20

## FOR THE MONTH OF NOVEMBER.

First-class .....	4,106	\$3,822 83
Second-class .....	67½	52 33
Add Steamboat revenue.....		1,374 38
Total for November.....		\$5,249 54

## FOR THE MONTH OF DECEMBER.

First-class.....	3,149½	\$3,032 62
Add Steamboat revenue.....		1,243 72
Total for December.....		\$4,276 34

## GENERAL SUMMARY.

Total First-class.....	11,627	\$10,921 37
Total Second-class.....	314	186 31
Add Steamboat revenue.....		4,057 76
Grand Total.....		\$15,165 44

The number of miles traveled by the first-class passengers is 388,906, and the charge is 2.8 cents per mile.

The charge upon the steamboat is twenty-five cents, or about one cent per mile.

The whole earnings of the road and steamboat for weight and passengers is \$29,689.43.

EDWARD MILLER, *Chief Engineer.*

For the first time in the history of the Company citizens of New York awoke to a lively interest in the New York and Erie Railroad, but the fact that most of the movers in its behalf were leading Whigs, while those who charged that the Company's affairs had been brought to their critical situation by gross mismanagement of those in charge of them and discouraged efforts toward aiding the undertaking were Democrats, made it palpable that it was politics that had aroused this sudden interest. An important State election was to be held in the fall of 1842, and the sympathies of the large constituency that was anxious for the completion of the railroad might naturally be supposed to lean toward that party which championed the cause of the enterprise, and Democratic organs charged that this was the secret of the Whig leaders of New York City coming so unanimously and early in the field as enthusiastic friends of the Company. Early in January public meetings began to be held in various parts of the city, the following call for one being a fair sample of the calls for all:

## RAILROAD MEETING. NEW YORKERS, AROUSE!

The citizens of the First Ward are invited to attend a public meeting at the Broad St. House, on Thursday Evening, the 6th instant, at 7½ o'clock, for the purpose of adopting the most effectual plan for the completion of the New York and Erie Railroad.

Those citizens who are unwilling to be robbed of the trade of the great West by the Bostonians will manifest it by attending this meeting.

The meeting will be addressed by several able speakers who will point out the importance of this Great Road to New York and the absolute necessity of its early completion.

J. PHILLIPS PHOENIX.	W. WALN DRINKER.	} <i>Committee.</i>
D. C. MARSH.	ANDREW H. MICKLE.	
W. E. WILMERDING.	JOHN HILLYER.	
J. D. VAN BUREN.	W. A. F. PENTZ.	
J. L. GILBERT.	GEO. V. TALMAN.	
STEPHEN WHITNEY.	AM. COZZENS.	
THOMAS GALE.	STEPHEN R. HARRIS.	

January 6, 1842.

Calls for similar meetings were signed by such names as William H. Aspinwall, Ogden Haggerty, T. and A. S. Hope, S. T. Caswell, James Van Nosstrand, Peter Cooper, Don Alonzo Cushman, Anson G. Phelps, Zophar Mills, D. R. Doremus, Joseph Karnochan, Alexander Hamilton, George Bruce, and scores of other representative men of the day.

The feeling that the Erie question engendered was expressed hotly in the columns of the opposition press, chiefly by communications, but frequently editorially. The following is from the *New York Evening Post* of January 13, 1842 :

It was my intention to have subscribed to some few shares of the New York and Erie Railroad stock; but since discovering it is managed by Bowen, Draper, and Blatchford, I am fearful that "the times have been so itching that no account has or will be kept of the expenditures," so that, at some future day, it may turn out to be another Glenworth affair, and become a road to nowhere. Before that road can succeed you must pay one man for his services no more than \$2,000 per annum, in lieu of \$6,000, and turn out all boys employed at \$1,500 to \$3,000 per annum.

The road should be made, but let those wanting it pay for it. The contractors, agents, office holders are now at work like beavers—now, when they know the last dollar is nearly gone, and no chance of getting more out of a Democratic Legislature. The value of the lands on the route, and the value of the produce, will be greatly enhanced, while we will get a more abundant supply of country produce; but will not the name of any pipe-layer injure the cause of anything in which it appears? It does with me.

A YORKER.

The Draper referred to by the *Post* was Simeon Draper, the famous New York auctioneer, and Blatchford was Richard M. Blatchford—both social cronies of James Bowen, and close in his counsels. The "Glenworth affair" was a reference to the notorious election frauds of 1838-9. The reference in the call for the railroad meeting, reproduced above, to the "robbing of the trade of the great West by the Bostonians," was prompted by the rapid progress of the Western Railroad, which was to connect Boston with Albany and the Erie Canal, and the chain of railroads then nearly completed between Albany and Buffalo. This threatened Boston connection undoubtedly induced many New Yorkers to an interest in furthering the fortunes of the New York and Erie Railroad that nothing else could have done.

State Comptroller Azariah C. Flagg addressed the following letter to President Bowen at this interesting crisis in Erie affairs :

COMPTROLLER'S OFFICE,  
ALBANY, March 8, 1842.

SIR: I have been assured from a source entitled to consideration, that means must be provided by the Comptroller to meet the interest due in April on the State stock loaned to the New York and Erie Railroad Company. Such a call

would add essentially to the embarrassment of the treasury; but, if it must come, it is desirable that the worst should be known immediately.

Although the law provides for a notice of five days only to the Comptroller, in case of non-payment, yet in these times a longer notice is indispensable; and if you cannot assure me that the interest will be paid, I trust that you will give me notice at once, that provision may be made by the State.

Respectfully yours,

A. C. FLAGG.

JAMES BOWEN, Esq.

There was no equivocation or hesitancy in President Bowen's reply to the Comptroller :

OFFICE OF THE N. Y. & E. R. R. Co.,  
NEW YORK, 12th March, 1842.

SIR: I have had the honor to receive your letter of the 8th inst., stating that you had learned from a source entitled to consideration that means must be provided by the Comptroller to meet the interest due on the 1st of April on the State stock loaned to the New York and Erie Railroad Company, and, as the requisition would add to the embarrassment of the treasury if made only at the time designated by law, you desire to know at as early a period as possible if this information be correct.

It has been regarded by the Company as the settled policy of the State to continue the same rates of aid in the construction of the road that has hitherto been afforded. The report of the railroad committee of the Assembly of 1841 (Doc. No. 297), narrated the several acts of the Legislature in regard to this road, and shows it to have been the intention of the State to continue its aid till the road be completed. The report sets forth that "by repeated acts of the Legislature, passed on various occasions, the State has undertaken to ensure the speedy and economical construction of this road. It has to all intents and purposes made it a State work except in name. The State executed the first survey of the route; the State pays as the work advances nearly two-thirds of its cost; the State issues for this purpose a stock which is sold under the direction of the Comptroller; before the stock is issued the certificate of the Attorney-General, another State officer, is required; the money when realized from the State stocks is then expended under the immediate inspection of a State officer who is responsible to the people for the manner in which he discharges his duty, as much so as a Canal Commissioner or any member of the Canal Board; the State has a lien upon the road for the money expended and to be expended, and out of the revenues the interest and the principal of the debt created is to be paid like debts created for the Canals."

Relying upon the continuance of this policy, the Company has made contracts for the construction of various sections of the road within given periods of time; large bodies of men have been and are employed; materials have been purchased, lands obtained, and every arrangement made for the speedy construction of the work, and it is upon the continuance of State aid in some form that the Company relies for the payment of its liabilities, including the interest on the State loan.

I have the honor to be, sir,

Very respectfully, your obedient servant,

JAMES BOWEN, President.

Hon. A. C. FLAGG, Comptroller.

Under the same date, President Bowen addressed the following letter to Gov. Seward, who was a close personal friend of the Erie President :

NEW YORK AND ERIE RAILROAD COMPANY'S OFFICE,  
NEW YORK, 12th March, 1842.

SIR: I deem it my duty to state to you that the means of the Company in whose charge the New York and Erie Railroad has been placed are exhausted.

There has been derived from individual subscriptions to the stock of the Company near two millions of dollars. A large proportion of the subscribers are citizens living along the line of the road, who have been induced, from considerations for the public welfare, to contribute to the construction of the road, and in the confident belief that the Legislature will extend the same proportion of aid that it has hitherto done. A suspension of the work and the discharge of the large bodies of men now employed upon it will produce great individual distress as well as serious loss to the Company and the public, from the temporary abandonment of it while in a state of partial completion.

Under the supposition that the Legislature would continue the proportion of aid that it has hitherto afforded, the Company made no provision for the interest on the State loan due on the first of April, but extended all their means in the construction of their road. They have so far progressed that with the section already finished more than three hundred miles may be put in use during the present year.

I respectfully pray you, therefore, if you deem it not improper, that you will bring the subject again before the Legislature, and represent the serious evils that must be created by the suspension of the work, while, if aid be granted, a new avenue extending through more than one-half the State will be opened, affording facilities for the transportation of products to market from which the citizens of that section are now debarred.

I find a sufficient justification for this application in the large pecuniary interest the State has in this great work; in the deep solicitude of a million of inhabitants for its completion, and in your own expressed opinions concerning the importance of the enterprise.

With sentiments of the highest respect,

I have the honor to be,

Sir, your obedient servant,

JAMES BOWEN,

*President of the New York & Erie R. R. Co.*

To His Excellency, WM. H. SEWARD.

The result of this letter was a message from the Governor to the Legislature as follows :

EXECUTIVE CHAMBER,

ALBANY, March 14, 1842.

*To the Legislature:*

The letter of the President of the New York and Erie Railroad Company herewith transmitted shows that if legislative aid is longer withheld from the association it must desist from prosecuting its great enterprise; the laborers employed must be discharged; the interest on the three million State loan, which will accrue on the first of April next, will remain unpaid; the contingent debt will fall immediately upon the treasury; the capital invested in the enterprise by our fellow-citizens will be lost; the New York and Erie Railroad, in its scarcely half completed condition, be exposed to auction at

the suit of the State; and the just expectation of immeasurable benefits to result from the enterprise will be suddenly and popularly disappointed.

This information cannot excite surprise. No one could have expected that the road in its unfinished state could produce capital or even revenues; and the association acted wisely in devoting all their means to its prosecution, relying upon the justice of the State and the liberality of their fellow-citizens for such additional resources as would be necessary to secure its completion.

Respectfully referring to the suggestion made in my annual message in view of this crisis, I will only add that no measure less favorable to the enterprise than the past policy of the State could now be effectual, while none, in my judgment, that would involve any sacrifice on the part of the State is necessary. Nevertheless, the responsibility of conducting the enterprise to an early consummation seems to me to rest not with the New York and Erie Railroad Company but upon this State. The association can only be regarded by the people as an agent of the Legislature; and while, like all other agents, it ought to be held to a just accountability, the State cannot discharge itself from responsibility by pleading the failure of its agent, whether with or without excuse, to perform its duties, or meet the expectations of the Legislature.

WILLIAM H. SEWARD.

Comptroller Flagg placed before the Legislature, March 21st, the correspondence between himself and Bowen, and in his letter accompanying it said : " This large amount of stock, for the payment of which the faith of the State is pledged, has been disposed of in market in a manner to the great injury to the credit of the State, and yet the Directors of the Company have so utterly disregarded the obligation they have entered into to protect the faith of the State as not to reserve out of the \$900,000 paid to them within the past five months a sum sufficient to pay the interest on the stock which becomes due the first of April."

Besides this correspondence with the Governor and the Comptroller, President Bowen, at about the same date, sent a petition to the Legislature, (which was read in the Senate March 16th,) submitting the report of Engineer Morton on the survey of the new route for the railroad in the Delaware Valley and between Deposit and Binghamton, in which he said that " if the road were to be regarded only as a means of revenue to the stockholders, the consideration of these lines would not be pressed upon your honorable bodies ; for it is believed that even if the most expensive be adopted, the road will be largely productive. But your petitioners are not permitted to regard it as a private enterprise, or as a simple

investment of capital for the purpose of revenue, but as a great public work, in the proper construction of which the interests of a million citizens are deeply interested. Your petitioners are therefore unwilling to assume the high responsibility of determining on questions of so much importance ; and they respectfully pray your honorable bodies to consider and decide in regard to them"—and yet the Company had determined on the question more than a year before by letting contracts for building the railroad through the Delaware Valley, further progress being checked by legal process, the Delaware and Hudson Canal Company having appealed to the courts. The petition did not refer to the straits the Company was in. It set forth that "by the act of incorporation, passed April 23, 1832, your petitioners are required to construct one-fourth of their road within ten years from that date. Owing to the pecuniary embarrassments of a large number of stockholders, it has been only within the past two years that your petitioners have been able to proceed with vigor in its construction. During that period 200 miles have been graded, and twenty-five miles completed. The sum estimated as sufficient to complete the whole road is therefore more than one half expended ; and it is believed that if aid will be afforded, that portion between Dunkirk and Binghamton, a distance of 250 miles, and between Goshen and Middletown, seven miles, may be completed during the present year ; making, of completed road, 303 miles, or nearly three-fourths of the whole road ; whereupon your petitioners pray that an extension of one year may be granted, to fulfill the requirements of their charter."

Saturday, April 9, 1842, at a meeting of the Board, at the office of the Company, No. 35 Wall Street, New York, the Company took measures to place itself in the hands of assignees by perhaps the most extraordinary method of procedure ever adopted before or since. President Bowen stated that the Faulkner bill having been rejected, the only thing to do was for the Company to make an assignment, which, by resolution, was done. In fact, it made two assignments. One was to cover all the property and effects of the Company in the city of New York and on the Eastern Division of the railroad, the

other to cover all the remaining effects and property of the Company. President Bowen, Directors Charles A. Davis and E. H. Blatchford, and Engineers Edward Miller and Thompson S. Brown were appointed assignees. April 12th, Hezekiah C. Seymour was added to the list of assignees. On the 15th, Davis and Blatchford declined to serve. Major Brown was not in the country. Freeman Campbell was named in place of Brown, and the assignees settled upon were Bowen, Miller, Seymour, and Campbell. Under authority given by the documents in the case, James Bowen, as President of the New York and Erie Railroad Company, of the first part, sold, assigned, conveyed, and set over to James Bowen and his associate assignees all the property of the Railroad Company, to sell and dispose of it at such time or times, and in such manner, and to such person or persons, or body or bodies corporate, as the assignees deemed best for the interest of all concerned, for cash, and settle the claims against the Company according to priority and character. There is no record of any authority of court for any of these proceedings, and the fact that under the act granting aid to the Company in 1838 the Comptroller was to take charge of the property in case of default in the interest on the State stock, and advertise the same for sale, did not seem to cut any figure in the matter at all.

The news of this assignment seems to have been slow in getting about, for there is no mention of it in any of the newspapers until April 22d. The *Whig Commercial Advertiser* of that date simply refers to it thus : "The New York and Erie Railroad Company have, as a prudential measure, made an assignment of their property to James Bowen, Alderman Cooper (?) and Alderman Campbell, and Messrs. Miller and Seymour, engineers of the Company." The *Evening Post*, a Democratic organ, discussed it as follows :

The New York and Erie Railroad Company has, it seems, made an assignment. In other words, it has failed to pay its debts, and gone into liquidation. So much for the advantages of putting this work under the care of pipe layers. They have had their "railroad parlors" at the Astor House—their splendid suite of rooms in the most expensive part of Wall Street, and have allowed the very moderate salaries of \$4,000, \$5,000, or \$6,000 to themselves. They have taken \$3,000,000 of our stock, and have left the State to pay the interest on it, and have run in debt to every one on the line of the road who could be induced to trust them, and now, in the final winding

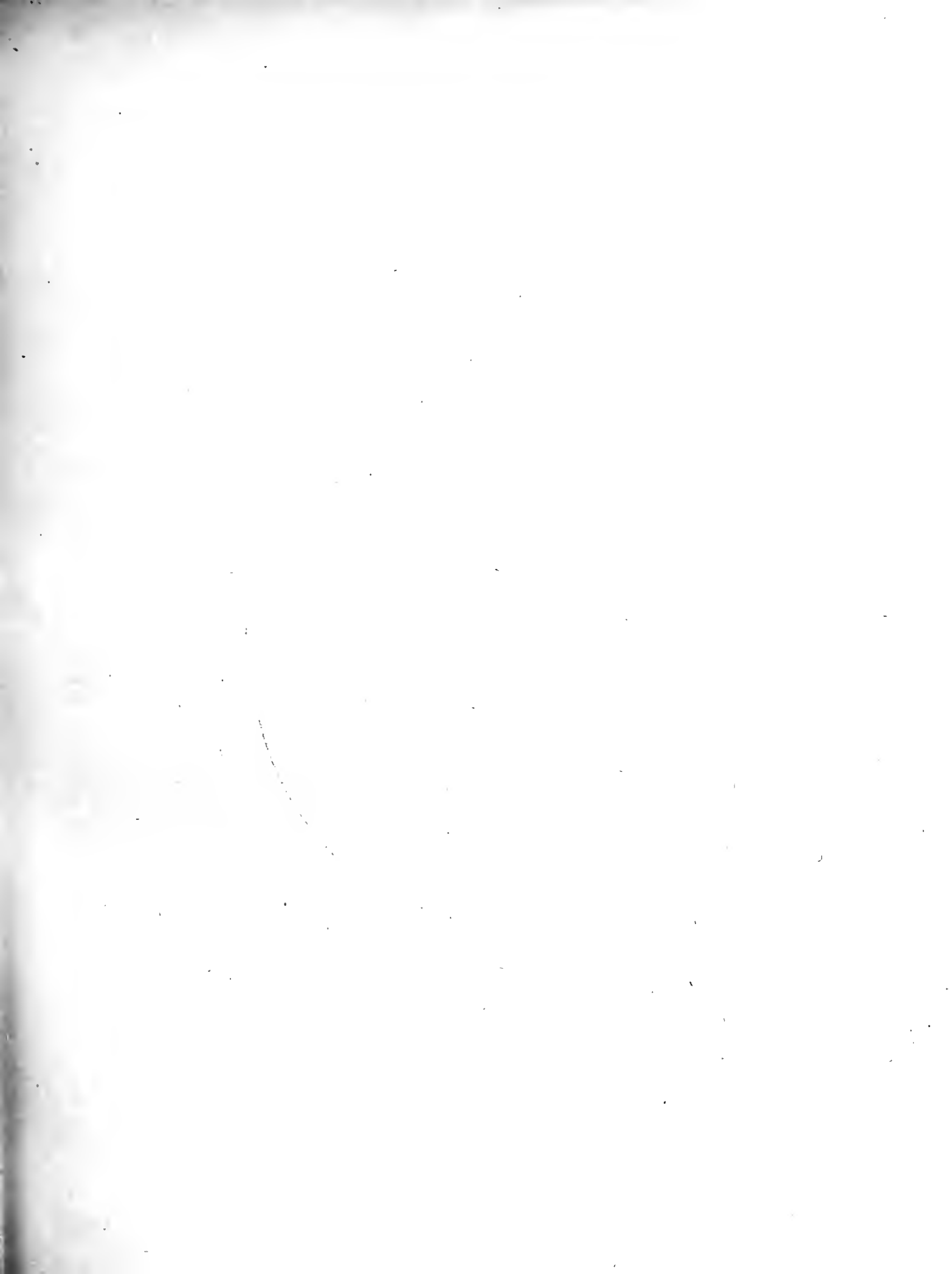
up, seem to have taken good care that the same blighting influence shall be predominant with the assignees. It is melancholy enough to see a work of such great interest to this city, and in which the State has so large an investment, so horribly mismanaged and ruined. It is not too late yet to redeem past errors, but the first step must be entire purification. Nothing short of that can restore confidence.

Besides the default in interest due the State, the Company owed \$600,000 for work done and materials furnished on the road west of Goshen, chiefly on the Susquehanna Division, and for which there was no provision. The Eastern Division (the only part of the road completed) was kept in operation, but work elsewhere on the line ceased.

By the act of 1836, granting the New York and Erie Railroad State aid, the Comptroller was directed to advertise the road and its franchise for sale on default in principal or interest of the loan, and to sell the same to the highest bidder, or buy them in for the State. Acting on this provision, the Comptroller advertised the New York and Erie Railroad for sale, the sale to take place on December 31, 1842. The Company was in default to the amount of the \$3,000,000 loan, and interest to the amount of \$41,000, yet the Comptroller ordered the foreclosure sale on the \$41,000 defaulted interest alone.

Political purpose had many times used the New York and Erie Railroad as a means to an end, but the project and its affairs had never taken on the dignity of a political issue until they came forward as such in the State campaign of 1842. The question of internal improvements was uppermost that year, and the Whigs took high ground for State aid for their construction, enlargement, or improvement. A Governor was to be elected, and the Whig platform came out squarely in favor of the State giving more aid to the construction of the New York and Erie Railroad. The Democratic party was opposed to increasing the taxes in the interest of the Erie Canal, or any other public work, but met the New York and Erie Railroad question by declaring in favor of the State (inasmuch as it had already invested and lost \$3,000,000 of the people's money in the enterprise) taking possession of the railroad and completing it. Any further appropriation of public funds to a private corporation, however, the Demo-

crats emphatically opposed on constitutional grounds. So the Erie question became the vital one in the campaign in all the counties where the railroad was located. The Whigs bid for votes therein by advocating the lending of more State money to the New York and Erie Railroad Company to save it and its undertaking to the people they were designed to benefit. The Democrats risked their chances in the election by demanding the purchase of the railroad and its completion by the State. Many and enthusiastic political meetings were held all through the Southern Tier, and they became no longer Whig and Democratic meetings, but Railroad and Anti-railroad. There had never been so exciting a State campaign in that portion of the State. William H. Seward had been elected Governor in 1840 on the Whig ticket, and was supported to that result by the vote of the Southern Tier, although the Democrats had made the issue there against him the fact that he had always opposed in the State Senate all State aid for the New York and Erie Railroad Company, even to speaking and voting against the small appropriation of \$15,000 for making the survey, in 1834. Seward defended his anti-Erie course on constitutional grounds, believing, as he said, that the State had no right to risk the people's money by loaning it to private corporations. He believed in State control of all internal improvements, and declared that he would have voted for an appropriation for building the New York and Erie Railroad by the State. In the campaign of 1842 the Democrats used Seward's argument on the Erie question to influence the Southern Tier against the Whigs, and Seward, then Governor, in his special message to the Legislature, quoted above, illustrated how one in politics must trim his sail to every wind, in certain exigencies, for the ground he took in that message was directly opposed to all his past argument and action on the Erie question. But the vote in 1842 demonstrated emphatically that the Whigs did not have the popular side of the Erie question that year, for the Democrats carried every Southern Tier and Western county, except Chautauqua and Cattaraugus. The special session of the Legislature in August, however, had come to the temporary rescue of the Company by postponing the sale of the railroad six months.





WILLIAM MAXWELL.

## CHAPTER VIII.

### ADMINISTRATIONS OF WILLIAM MAXWELL AND HORATIO ALLEN—1842 TO 1844.

The Southern Tier and Western Counties, Disheartened over the Situation, Demand the Company's Release from Alleged Wall Street Influences—A Strictly Rural Management is Chosen—William Maxwell of Elmira Succeeds James Bowen as President—The New York Legislature Passes a Law for the Relief of Erie, and the First Foreshadowing of Erie's Fatal Bonded Debt is Seen—The Railroad Completed to Middletown—Maxwell and the Rural Directors Retire and Horatio Allen takes Charge as President—His Struggles with Many Plans to Help the Work Along End in Failure—In the Emergency, Eleazar Lord is Chosen a Third Time to Conduct Erie's Affairs.

THE people of the Southern Tier and Western counties became indignant over the condition of the Company's affairs and disheartened over the prospects of the railroad, toward the building of which they had so generously contributed of their means and influence. They believed that this situation was due to reckless management of the Company's affairs, and charged that the management had been for years controlled by influences of Wall Street and by New York business men—men who had done little and contributed less toward any measure that had in view the welfare and interest of the undertaking. These counties, therefore, demanded a change in the management, and the cutting loose of New York City control from it. The demand was heeded at the annual election in October, 1842. A new Board of Directors was chosen. A majority of the members was from the rural counties. The new Board was made up as follows: Samuel Barrett, Chautauqua County; Benjamin Chamberlain, Cattaraugus County; Jesse Angel, Allegany County; Reuben Robie, Steuben County; William Maxwell, Chemung County; Jonathan Platt, Tioga County; Thomas G. Waterman, Broome County; John B. Booth, Orange County; Thomas E. Blanch, Rockland County; George Griswold, Henry L. Pierson, Samuel Allen, Charles Augustus Davis, Shepherd Knapp, Stephen Allen, James Brown, New York. The first meeting of the new Board was held at Elmira December 6, 1842, with no quorum present. Another meeting was held on December 26th, when James Brown was elected President. He declined the office, and William Maxwell of Elmira was

elected to the place. Brown was elected Vice-President in the place of Henry L. Pierson.

The Maxwell administration distinguished itself by securing the passage of an act by the New York Legislature in April, 1843, which postponed the sale of the railroad under the State's foreclosure until July 1, 1850, on condition that the Company should actually resume work within two years from April 18, 1843. This act also purported to release the Company from the State lien, and to authorize it to issue bonds to the amount of \$3,000,000, which would be a first lien on the Company's property. The railroad was finished to Middletown by funds raised by private citizens organized under the name of the Middletown Association, and was opened for traffic June 1, 1843.

Prominent among the constructing engineers and practical railroad men of that day was Horatio Allen. He had been the assistant of John B. Jervis in the construction of that great work, the Delaware and Hudson Canal, which was finished in 1829. He was one of the earliest of America's railroad constructors, and through his uncle, James Brown, then a member of the Erie Directory, became deeply interested in the prospects and success of the project that Company had in hand. His previous experience in practical railroad construction had been attended with such satisfactory results that, in the critical emergency to which Erie affairs were brought in 1843, the friends of the Company appealed to Horatio Allen as one perhaps most capable of saving the work from the fate that confronted it. Mr. Allen consented to undertake the task, and at the annual election in

October, 1843, President Maxwell and the rural Board of Directors went out of office, and a new Board was elected as follows : Horatio Allen, James Brown, Don Alonzo Cushman, Charles M. Leupp, Frank W. Edmonds, Silas Brown, David Austin, Theodore Dehon, Paul Spofford, George Griswold, Anson G. Phelps, Matthew Morgan, John C. Green, A. S. Diven, William Maxwell, Elijah Risley, Daniel S. Dickinson. Horatio Allen was chosen President and James Brown Vice-President. On taking control the new management issued a statement as follows :

#### TO THE PUBLIC.

The undersigned, at the earnest solicitation of a portion of their fellow citizens, having consented to be elected Directors of the New York and Erie Railroad Company, feel it to be their duty to the public distinctly to state the condition upon which they have undertaken the trust.

They have been informed that the affairs of the Company are in an embarrassed state, and unless a very great change takes place its existence will in all probability terminate with the present year.

The new Board of Directors intend immediately to examine into its condition and report the result of their labors. Should they find it impracticable to continue the work, they will make known their views and retire from the direction. On the other hand, should they find its embarrassments not so formidable but that with proper assistance they can be surmounted, they will call upon the public to aid them in its completion. If this call is responded to, the undersigned will continue their connection with the Company. If not, the responsibility will not rest with them.

David Austin, James Brown, D. A. Cushman, Charles M. Leupp, F. W. Edmonds, Silas Brown, Anson G. Phelps, Horatio Allen, Matt Morgan, Paul Spofford, William Maxwell.

(Several other members of the Board being absent from the city their names could not be affixed to this document.)

NEW YORK, *October 7, 1843.*

This was not by any means an over-confident spirit in which to start to the rescue of the Company and the railroad from their precarious situation, but the new management had good cause to be doubtful. The property of the Company was in the hands of assignees, and so entirely without resources did the Directors find the Company, that the funds required to meet the ordinary office expenses, and to carry into effect the measures proposed to remove the embarrassment under which it was lying prostrate, were only obtained through gratuitous subscriptions of a few friends of the road. Alexander S. Diven,

who was a Director at that time, in recounting, years afterward, the trials that beset them in Erie affairs at that crisis, said :

" We were building a railroad that was to cost millions, and we hadn't money enough to buy candles. There was positively not one cent in the treasury. Every Director in the Board had endorsed for the Company up to the last dollar he was worth. There was no gas in those days, and we used to pass a hat around among us to get money to pay for the candles which lighted us at our work."

Mr. Diven, then a lawyer at Angelica, Allegany County, N. Y., became actively interested in the Erie project in 1843. In response to the solicitation of James Brown he had gone to New York and examined the Company's condition and prospects. The Directors had lost all hope. Frank Edmonds, a member of the Board, and cashier of Shepherd Knapp's bank, had made an investigation of the Company's affairs and reported that the enterprise was ruined, and that it was useless to try and sustain it any longer. General Diven looked over the papers and books and took a different view of it. He suggested the obtaining of legislation authorizing the Company to issue bonds that would take precedence as a lien on its property over that held by the State against the Company, a plan which he believed would soon provide funds sufficient to construct the railroad, at any rate, as far as Binghamton. The legislation was secured, as has been stated, but did not have the immediate effect it was intended to have, for reasons the details of which will appear in the course of this narrative of the Allen administration.

Notwithstanding the unpromising outlook that met the new management, it went to work with a will, and in February, 1844, made a report to the Legislature. In November, 1841, the report stated, contracts on 270 miles of work were suspended. They were still in force when the new management came in, with large claims for damages likely to be made. These contracts, however, it had succeeded in having unconditionally surrendered to the Company, and all the possible damage claims relinquished. It had also lifted the assignment. The

railroad had cost \$4,734,872.66. There were in operation fifty-three miles of road between Piermont and Middletown, four miles west from Corning, and seven miles east from Dunkirk, in all sixty-four miles. The rest of the road was in different stages of construction, but nothing had been done on the work since the close of 1841, or more than two years. There were scattered along the line nearly \$600,000 worth of timber the Company had purchased, nearly half of which was worthless from long exposure. According to the estimate of Major T. S. Brown, who had succeeded H. C. Seymour as Chief Engineer of the Company, to complete the work would require a further outlay, in round numbers, of \$7,000,000. President Allen issued a strong appeal to the public, showing how important it was to the commercial interests of New York City that the New York and Erie Railroad should be completed without delay, owing to the activity of rival cities in adopting means to secure the growing trade of the great West.

On April 2, 1844, the Board of Directors adopted a resolution calling for an instalment to be paid, on or before May 20, of five dollars a share on all stock of the Company whereon payment already made did not exceed fifteen dollars per share, under the penalty of forfeiture of said stock and of all previous payments thereon, as provided in the charter of the Company. In default of compliance with such call, 4,290 shares were forfeited, upon which payments had been made of \$48,296.90.

April 18, 1843, William Baker had been appointed Railroad Commissioner under the act of the Legislature in relation to the New York and Erie Railroad, with various powers and duties, and to report to the Canal Board on the first Tuesday of January of each year. No attention was paid to Mr. Baker by the Company until May, 1843, when the Board of Directors instructed the President to invite him to examine all the books, vouchers, and papers in the office of the Company, to enable him to ascertain all the material transactions of the Company since its first organization, and all its present condition and prospects, so far as to enable him to report to the Directors at their next meeting whether any funds of the Company had been misapplied ; whether any

officer of the Company had abused his trust ; whether any one was getting too much salary ; what the amount of the indebtedness of the Company was ; whether there were any unwarrantable claims against it ; to examine the assignment and its terms ; how the Eastern Division was being conducted, and whether its officers and agents were receiving too high salaries, and whether any could be dispensed with ; and to make any and every investigation into all the affairs of the Company and report fully and impartially thereon, so that the public confidence might be reassured.

Baker made a brief and cursory examination of the Company's books, and then went over the route in company with Chief Engineer Brown. In October, 1843, he wrote a report, which he sent to the Directors. He also submitted it to the Legislature of 1844, something that was entirely voluntary on his part, and not required of him, the Canal Board being the head to which he was to report under the law creating his office. His report criticised the management for certain transactions that had occurred in 1841-42, they being matters entirely out of his province, and with which the existing management had had nothing to do. As the Allen management was to be an applicant before the Legislature of 1844 for favors for the Company, this uncalled-for and untimely deliverance of Commissioner Baker added largely to the already heavy load of trouble, and called forth a strong official protest and disclaimer from President Allen and the Board of Directors, addressed to the President of the Senate and the Speaker of the Assembly, early in the session. (Assembly Document No. 31, 1844.)

In behalf of a favorite plan of his, President Allen had a bill drafted to present to the Legislature of 1844, authorizing the city of New York to submit to popular vote the question of the appropriating by that city of \$3,000,000 toward the amount still needed for the completion of the railroad. The Common Council of the city declined to approve of the plan, or to join with the Company in application to the Legislature for the passage of the bill, and the scheme was reluctantly abandoned. The bill never came before the Legislature. It is a part of the odd and curious in Erie history, and is repro-

duced here entire, from the only copy of it known to be in existence :

PROPOSED FORM OF AN ACT TO AUTHORIZE THE CITY OF  
NEW YORK TO SUBSCRIBE TO THE CAPITAL STOCK OF  
THE NEW YORK AND ERIE RAILROAD COMPANY.

The People of the State of New York, represented in Senate and Assembly, do enact:

1. The city of New York (if the electors thereof shall assent thereto in the manner hereinafter provided) may subscribe to the capital stock of the New York and Erie Railroad Company the sum of Three Millions of Dollars, to be exclusively expended in the work hereafter done upon, and materials hereafter furnished to, the said Railroad.

2. In order to ascertain the wishes of the said electors, in reference to such subscription, the Common Council of said city shall, at the next annual election therein of charter offices, cause to be provided, in each of the election districts of the said city, a ballot box, in which each elector, entitled to vote in that district, may deposit one ballot having either the word "Yes" or the word "No" thereon written or printed.

3. The ballots so deposited shall be canvassed by the inspectors of the election, and returned to the county canvassers of said City, and the result by them declared, in the same manner as is prescribed by law in regard to the canvass and return of votes for charter offices.

4. If upon such canvass it shall appear that a majority of the electors so voting shall have deposited ballots containing the word "Yes," then the corporation of said City shall proceed to borrow Three Millions of Dollars, in twelve successive sums of two hundred and fifty thousand each, and for that purpose shall issue a public stock to be called the "Erie Railroad Loan of the City of New York," bearing an interest not exceeding six per cent. per annum, payable half yearly, and redeemable at a period not exceeding twenty years from the date of its issue.

5. Such stock shall be sold, for not less than its par value, in such amounts, and manner, and at such times, as the said Common Council shall prescribe; and all the provisions of the act entitled "An act to regulate the Finances of the City of New York," passed June 8, 1812, which are not inconsistent with the provisions of this act, are hereby applied to the said stock.

6. The said City shall subscribe the said sum of Three Millions of Dollars to the said capital stock, whenever, and as soon as, the said Company shall have furnished evidence satisfactory to the Comptroller of said City, or such other officer as shall be by the said Common Council in that behalf appointed, that a like amount of Three Millions of Dollars, has been subscribed, in good faith, by private individuals or bodies corporate or politic.

7. The said City shall pay the amount of such subscription in instalments of two hundred and fifty thousand dollars each; and shall pay such an instalment of two hundred and fifty thousand dollars, whenever, and as often as, the said Company shall furnish evidence satisfactory to the said Comptroller or other officer in that behalf appointed as aforesaid, that the said Company has received on account of subscription made as aforesaid by private individuals and bodies corporate or politic, and actually expended on the said road, a like amount of two hundred and fifty thousand dollars; until the whole

of said amount of Three Millions of Dollars shall have been paid.

8. Each of said instalments of two hundred and fifty thousand dollars, shall, in the first instance, be deposited in the city treasury; and shall remain there until drawn out in order to pay for work done, or materials furnished for the said Railroad; and before the same shall be drawn out, the said Company shall furnish evidence satisfactory to the said Comptroller or other officers in that behalf appointed as aforesaid, that such work has been done, and such materials furnished subsequently to the passage of this act.

9. After the said City shall have made the said subscription, the Mayor, Recorder, and Comptroller, and the President of the Boards of Aldermen and Assistant Aldermen of the said City for the time being shall be ex-officio directors of the said Company in addition to those elected by the stockholders (other than the said City) as provided for in the act incorporating the said Company, and no vote shall be given to any election of directors upon the stock so subscribed by the said City.

10. In order to provide for the payment of the interest of the said Erie Railroad Loan, and the redemption of the principal thereof, the said Common Council shall levy by tax upon the estates, real and personal, of the said City, liable to taxation, one twelfth of one mill upon every dollar of the assessed value of such estates, for every successive amount of two hundred and fifty thousand dollars, so to be issued, and after the interest on such loan shall have been paid out of the proceeds of such tax, the commissioners of the sinking fund of said City shall invest the residue in the purchase of some portion of the stock so issued, or if enough of the same cannot be obtained to absorb such residue then in the purchase of any public stock issued by the said City, and shall keep the same sacred and irrevocably appropriated to the payment of the principal of the said Erie Railroad Loan.

11. Whenever any dividend shall be received by the said City from the said Company, on the stock so to be subscribed for, the said dividend shall be appropriated to the payment so far as it will go, of the interest falling due in the ensuing year, on the public stock, so to be issued by the said City, and the tax to be levied in that year, in order to provide for the payment of such interest, shall be diminished by an amount equal to such dividend and no more. And there shall be annually provided for by the said City, and irrevocably appropriated to the payment first of the interest, and ultimately of the principal, of the said Erie Railroad Loan, either from dividends received from the said Company or by taxation, for every two hundred and fifty thousand dollars of such public stock which shall be issued by the said City, an amount equal to one-twelfth of one mill on the whole property, real and personal, in the said City liable to taxation.

12. Such annual tax shall be continued until either the said Railroad Loan shall have been paid in full; or the annual dividends received by the said City, from the said Company on the stock so to be subscribed for, shall be equal to ten per cent. per annum on its par value; or the State shall elect to purchase the said Railroad, under the provisions of the act entitled: An act in relation to the construction of the New York and Erie Railroad, passed April 18, 1843.

13. All dividends which the said City shall receive from the said Company, and all proceeds received by the said City, for its stock so to be subscribed for, should the said Railroad be purchased by the People of this State, under the provisions of the act above referred to, are hereby specifically pledged

and irrevocably appropriated to the payment of the interest and redemption on the principal of the said Erie Railroad Loan, until the same shall have been paid in full.

14. The said City shall have no power to alienate or part with any portion of the stock so to be subscribed for, unless the said Railroad shall be sold to the people of this State, under the provisions of the act above referred to, and then said stock may be surrendered to the said Company, on the receipt of a corresponding portion of the proceeds of such sale, and after the said Erie Railroad Loan shall have been paid, in full with all interest, that shall accrue thereon, then all dividends which the said City shall receive from the said Company, shall be appropriated to such purpose as the Common Council of said City shall from time to time direct.

15. This act shall take effect immediately.

The plan to have the city of New York take \$3,000,000 of the stock by popular loan thus having failed, President Allen, in a long address made public April 11, 1844, and signed by the entire Board, submitted another plan for raising the required capital. The subscription books were to be opened and subscriptions received to the amount of \$6,000,000, ten per cent. to be paid within twenty days after the books were closed, and subsequent instalments as they might be called for. The conditions of the plan were that the entire amount should be subscribed between the first day of March and the first day of August, 1844; that the instalments should not exceed  $33\frac{1}{2}$  per cent. per annum; that when dividends should be declared, payments of them should be deferred on 75 per cent. of the stock held prior to March 1, 1844, until a dividend of 6 per cent. had been declared on the stock subscribed for subsequent to that date, and previous to August 1; that when the net earnings should exceed the amount necessary to pay such dividends on the new stock, the excess should be appropriated to dividends on the old stock; and that when dividends on old stock should amount to six per cent., the old and new stock should be put on a par, and all distinction between them thereafter to cease.

To awaken interest in this new effort to put Erie on its feet, a call, signed by a hundred or more of the representative business men of New York City of that day, was issued for a meeting of citizens to be held at that city, in the Tabernacle, on the evening of October 18, 1844. The meeting is reported to have been large and enthusiastic. George Griswold presided, and there was a long list of distinguished

vice-presidents and secretaries, the former being James Harper, John A. King, Thomas Suffern, C. W. Lawrence, James Donaldson, William Tucker, James Boorman, Robert Smith, Gardner G. Howland, Samuel Allen, Moses Taylor, John H. Hicks, J. De Peyster Ogden, P. S. Van Rensselaer, Jacob Little, R. J. Carman, and William Burns, and the latter being Charles McVean, James Kelley, Charles Dennison, Isaac Townsend, and Charles P. Brown. Thus was the best of the business and financial interests of the metropolis represented at this meeting. Addresses that seemed absolutely convincing were made by Joseph Blunt, M. C. Patterson, and others, among them William B. Ogden of Chicago, and from the enthusiasm manifested the Erie managers, if present, must have felt that the completion of the railroad was certainly assured. A committee was appointed to solicit subscriptions under the Allen plan, but investors declined to respond to the appeals of the committee, if any such appeals were made.

It having thus become apparent that popular subscription would not provide the funds for completing the railroad, the Allen management formulated a plan, the main features of which were that 200 persons should undertake to furnish the required capital of \$6,000,000, on condition that priority of dividend at 7 per cent. per annum be secured to the holders of the new stock, and that fourteen per cent. per annum should be the interest to be paid by the State of New York in case it should elect to purchase the railroad when it was completed. This failed, also, although, on the authority of a statement made by the Allen management on retiring from the direction of Erie affairs, a larger amount had been subscribed on that basis than on any other.

Disappointed in the result of their measures for obtaining capital by private subscription to the stock of the Company, the attention of the Board was next directed to the resources supposed to be placed at their command by the act of 1843. By that act the right to issue bonds to the amount of \$3,000,000 was granted, and the State lien against the Company was to be waived for that object. By means of the bonds so authorized it was proposed to raise \$500,000 for the purpose of extending the road to

Port Jervis, a distance of about twenty miles beyond Middletown, where its termination then was. It was ascertained that the money could probably be raised in the manner proposed, if the act would make good the security offered. That the character of the security might be satisfactorily established the question was submitted to legal counsel, from whom the opinion was received that the waiver of the State lien was made dependent on the completion of the road in seven years from the date of the act, and that so far as that event was uncertain, there would be a corresponding risk to the bondholders. In view of this opinion, it was evident to the management that the bonds could not be sold, and the measure was therefore abandoned.

Thus, all its efforts to raise money for the renewal of the work having come to naught, it was evident that the Allen management was powerless to lift the Company out of its pressing difficulties, and at the annual meeting of the stockholders at New York, October 23, 1844, Allen and his Board resigned, a new Board was elected, and Eleazar Lord was unanimously chosen to take the direction of Erie affairs for the third time. The members of the new Board were George Griswold, Jacob Little, John C. Green, James Harper, Eleazar Lord, Paul Spofford, Stewart C. Marsh, Henry L. Pierson, Henry Sheldon, C. M. Leupp, J. W. Alsop, Silas Brown, Robert L. Crooke (and Sidney Brooks, who declined), of New York City, and Daniel S. Dickinson of Broome County, A. S. Diven of Allegany County, and Elijah Risley of Chautauqua County.

The retiring Board, in a pessimistic address to the stockholders, said that it was aware that views were entertained by some of the earnest friends of the road that were entirely opposed to the position taken by the Board, that the work should not be resumed on private subscription, unless the means of its completion were fully provided. "It may be contended," the address declared, "that with a subscription of one or two millions the road could have been so far carried forward, that its completion would have been secured almost as soon as by a full subscription at this time. The Board believes that a sum sufficiently large to make it judicious to commence the work at all could not have been obtained

on the principle alluded to." The confidence that the Board expressed, when it took charge of the Company, that remunerating dividends would be paid to persons subscribing to the stock (so this address explained), rested solely on the completion of the railroad to Lake Erie, and that therefore it could not, consistently with its view of responsibility to subscribers to the stock, ask for their subscriptions on a principle that left that event in great uncertainty. "The contingency may not be very great," the address declared, "and by some may even be considered small, but it has been deemed by the Board of sufficient magnitude to involve a responsibility which they do not feel themselves called on to assume." Referring to the lien which the State had on the entire property of the Company, the address said that there was no resource which could be relied upon as a means of insuring the construction of the road, and comply with the stipulations of the act to the completion of certain portions in assigned periods. "Attention is called to this position, so that if it be found to be correct, those who are hereafter intrusted with the management of the interests of the Company may at an early day take the measures which it renders necessary. The Board are of opinion that unless the State will agree so to amend the act as to allow the property of the Company to be pledged as security for the expenditure of new capital on the extension of the road from place to place as circumstances permit, there is little reason to believe that any efficient measures can be taken at present for the extension and ultimate completion of the road."

The net earnings of the railroad for the three years it had been in operation were reported as follows, with the remark that they "presented a very encouraging rate of increase." For the year ending September 30, 1842, \$31,224; same period, 1843, \$43,815; same period, 1844, \$58,673.

The following curious report was submitted during the Maxwell administration. It is interesting as showing that the Company was carrying the United States mail at that early day, and was being paid for it—how much the report does not show. The "Middletown Association" referred to was the associa-

tion of citizens of Middletown, N. Y., that had completed the railroad between Goshen and that place, for which they were being reimbursed from the earnings of the railroad between the two places:

TOTAL RECEIPTS AND DISBURSEMENTS FROM APRIL 16, 1842,  
DATE OF ASSIGNMENT, TO AUGUST 31, 1843.

## RECEIPTS.

From freight.....	\$82,886 09
From passengers, including mail.....	64,446 52

\$147,332 61

Transportation abstract complete....	\$94,734 58
Construction abstract complete.....	19,360 45
Charged to assignees.....	16,898 00
Paid I. Newton, for steamboat line (in accruing abstracts).....	6,591 40
Paid sundry vouchers, incomplete....	1,026 66
Paid on July abstracts.....	5,853 92

*Middletown Association:*

On acct. labor pay roll..\$743 96

On acct. passenger earn-

ings..... 829 46— 1,573 42

Balance per cash book..... 1,294 38

Total amount receipts as above.....\$147,332 61

Amount on hand..... \$1,294 38

In addition, stage money..... 109 13

Cash items, and cash received, not entered until  
September..... 318 46

Account, Dr., balance cash..... \$1,721 97

Cash advanced account of services....	\$780 69
Assets available on cash.....	265 84
Assets not available on cash.....	270 83
Due from Middletown, cash.....	100 31
Specie and copper.....	97 30
Bank notes.....	207 00—
	<u>\$1,721 97</u>

A. MAIN, *Cashier.*

Piermont, Sept. 1, 1843.

With the year 1844 the Company began the making of regular annual reports. Following was the condition of the Company and its railroad according to the report for that year, filed January 27, 1845:

## REPORT FOR THE YEAR 1844.

Length of road in operation, 53 miles.

Expenditures upon the whole road, omitting loss  
on State Stock, and including present indebted-

ness to contractors not fully settled..... \$4,750,000 00

Income from passengers..... 46,178 84

Income from freight and other sources..... 79,841 60

No. of through passengers..... 11,976½

No. of way passengers..... 68,044

Receipts from through passengers..... 15,572 43

Receipts from way passengers..... 30,606 41

Expenses for repairing and running the road.. 66,945 00

Expenses for construction..... 12,434 77

E. PIERSON, *Secretary.*

(The equipment of the railroad, and full statistics of its physical condition, for this year and all subsequent years of the Company's history, will be found in a tabulated exhibit on page 483).

## CHAPTER IX.

### THIRD ADMINISTRATION OF ELEAZAR LORD—1844 AND 1845.

Optimism Succeeds Pessimism—Mr. Lord Sees Nothing Discouraging in the Situation—He Tells the Public that it is only Necessary to Raise Money, which will be Easy—Thinks the Act of 1843 does not Offer Doubtful Security for Erie Bonds, but is Rather an Eligible Reliance—Probable Reason why New York had Always Disregarded Appeals for Aid to the Erie Project—The Public Share the Late Management's Opinion of the Act of 1843, and Decline to Invest—Mr. Lord becomes of the Same Opinion, Resumes Work, and Asks the Legislature to Modify the Bonding Act—Story of how the Needed Legislation was held up until the Company Agreed to Build a Railroad to Newburgh—Trouble over the Change of Route through Sullivan County, and Eleazar Lord Retires, to Interest Himself no more in the Building of the Railroad.

THE cheerful, confident, assuring words with which Eleazar Lord greeted the situation were in marked contrast to the hopeless, melancholy strain that dominated the farewell address of the Allen management. Lord prepared an address intended particularly to appeal to the interests of New York City in the Company's prospects, and it was made public immediately on his taking charge of Erie affairs again, and while people were still discussing the pessimistic deliverance of the late management. He declared, in strong language, that it was the influence of those concerned in "the northern route" that had defeated all the efforts the New York and Erie Railroad Company had made toward completing its railroad—the "northern route" being the chain of railroads then being constructed between Albany and Buffalo, in conjunction with the proposed railroad on the east side of the Hudson River, all now included in the New York Central Railroad system. The *American Railroad Journal*, which had been a stanch supporter of the Erie project from the start, took President Lord and the Directors severely to task for this assertion. "What is the use," wrote the editor, "of declaring war against 'the more northern route to the lakes,' and exciting the hostility of the Central counties from Albany to Buffalo, and of the counties on the eastern bank of the Hudson? We have never heard it hinted that the appeal of the late Board to the public last spring failed from any opposition created by the friends of 'the more northern route to the lakes,' and we doubt whether any such influence will be exerted against the pres-

ent address, notwithstanding its—as we believe—unfair, and certainly unfortunate, insinuations. It is less wounding to our self-love to ascribe our failures to the machinations of rivals, real or supposed, than to our own incapacity. The present Board, that is, the acting portion of the Directors, have long controlled the management of the New York and Erie Railroad, and we would venture to suggest the bare possibility that some part of their present difficulties may be owing to the circumstance that their past course has not been quite as satisfactory to the public, and especially to the stockholders, as it appears to have been to themselves."

It is difficult for one at this day, contemplating the situation of the Erie project at the period of its existence now under review, to comprehend the conduct of its New York City sponsors toward it. The railroad had been projected with the avowed purpose of making it a means to the establishing of that city for all time as the center of the trade of the entire country, by giving it such communication with the growing West and such superior means of transportation to and from the marts contiguous to and beyond the great lakes, and to and from the valleys of the Ohio and Mississippi, as neither Boston, Philadelphia, or Baltimore, the active and progressive rivals of New York in the struggle for commercial supremacy, could hope to secure; yet there is no record, in all of the reports of the ostensibly earnest endeavors of the conspicuous citizens of the metropolis who had charge of the affairs of Erie from the



*Socrates Allen*



start, of any effort or expressed desire on their part to have the railroad begin at, or even near, New York, so that the proposed chief object of the undertaking could have some chance of being attained. We have seen how this great point was overlooked and unheeded when the magnificent opportunity of the proposed Erie-Harlem alliance was presented to the arbiters of Erie affairs in 1841, and no successor of those men, while the opportunity still might have been grasped, or some other starting place for the railroad in better keeping with its avowed object might have been secured, appeared to be capable of discovering what the trouble was with the Erie that it had not obtained the confidence and support of the people of New York City.

It would seem, considered from the standpoint of the present, that those people, judging of its importance by the proceedings of the men at its head, were unable to regard the undertaking seriously—hence their indifference to appeals to them for aid toward the work of building the railroad. In this address of Mr. Lord, therefore, there was something new for the New York public to consider. For the first time reference was made to the railroad as eventually to terminate at New York City. "It is known and felt by the friends of this work in every successive Legislature," said Mr. Lord in his address, "that its benefits are to center and be realized chiefly in this metropolis, the interests of which in that behalf were so carefully guarded in the charter, by the provisions which confine it within the limits of the State, and *contemplate its approaching on the east side of the Hudson, and traversing the whole length of the city.*" And yet, at that very time, the projectors of a rival railroad, which President Lord so vigorously denounced, were preëempting "the east side of the Hudson" for their railroad, and slowly but surely destroying the only remaining opportunity the Erie had of getting into New York City, where "its benefits were to center and be chiefly realized."

We may, therefore, undoubtedly be permitted to assume that to this strange indisposition to the establishing of its terminus "at or near New York" was due the fact that the people of that city had not been enthusiastic in the support of the New York

and Erie Railroad. We have the authority of this address of Mr. Lord that up to November 1, 1844, New York City had contributed less than \$400,000 in aid of the construction of the road, while the people of the interior counties had paid \$1,200,000 toward it. President Lord, therefore, made a special and strong appeal to the citizens of the metropolis to come forward and help the Company out of its difficulties. He presented a statement of the condition of its affairs and of the road as an inducement for people to seek the Company's securities as an investment of rare value.

To complete the entire line of road six millions of dollars was deemed necessary and sufficient. Mr. Lord took a view entirely opposite to that of his immediate predecessor, and held that "toward this sum the bonds legally authorized are an eligible and safe reliance for three millions." He believed it to be quite safe to rely upon the interior counties for further aid to the amount of one million, so that to insure the immediate progress and early accomplishment of the entire work a subscription of two millions of dollars only was required. With such a subscription, the address declared that the Board would have no hesitation in proceeding with the work, in the confidence that no further call upon the citizens of the city would be necessary.

Believing this to be the smallest amount that would give to the stockholders confidence of success to render their subscriptions safe as an investment, and that subscriptions to that amount would not be deemed impracticable or out of proportion for New York City, Mr. Lord proposed to "give notice in due form within a few days comprising substantially the following conditions: 1. That books of subscription to the capital stock will be opened for two millions of dollars; the option being reserved by the Board of accepting such further subscriptions as may be made prior to the first day of April, 1845. 2. That if two millions and no further sums should be subscribed by that date, the Board will rely on subscriptions for one million in the interior counties, so as to make an aggregate of three millions, which, with the like amount of bonds, as authorized by the Legislature, is deemed sufficient to complete the road from the Hudson to the lake in such time and

manner as to secure all the benefits of the law of April, 1843. 3. That an instalment of \$5 per share be called at the pleasure of the Board after the first day of January, 1845, and that subsequent instalments be restricted to \$20 per share in 1845; \$30 in 1846; and \$45 in 1847. 4. That as an equitable, and, under existing circumstances, an expedient measure, interest at the rate of six per cent. per annum be allowed on all the instalments on the stock which shall be subscribed from the dates of the respective payments until the whole line of the road from the Hudson to Lake Erie shall be put in operation; and that the same be liquidated and paid yearly on the first day of January." Mr. Lord dwelt on the earning capacity of the railroad that would follow its extension beyond Middletown, basing his calculation on what it was then earning—\$58,000 a year; called attention to the fact that the two years which the bonding act of 1843 gave the Company to resume work in order to save the road from sale under the State lien would expire with the coming April, then less than six months off; and referred to the advantages of the act of 1843, provided the Company should not fail to avail itself of them by obtaining funds and resuming work.

This appeal for funds, however, and the plan offered by President Lord, did not have the desired effect. In spite of his positive assurance that bonds issued under the act of 1843 would be "an eligible and safe reliance," investors chose to take the doubtful view of the value of such a security that the Allen management had expressed, and declined to risk their money. This led Mr. Lord, if not to change his opinion about the sufficiency of the law, to adopt the popular view of it and act accordingly. He raised enough money among his personal friends to protect certain of the old contracts made for work on the railroad beyond Middletown, and in December, 1844, contracted for the grading and masonry of fifteen miles of the railroad between Middletown and Port Jervis. This work was begun in time to save the sale, and thus two years more of tenure, at any rate, were insured to the New York and Erie Railroad Company. Mr. Lord notified the Legislature for 1845 of this resumption of work, and asked that the relief act of 1843 be modified so that the Company

might make it available. Such a law was passed. That it was passed, however, and impending disaster to the New York and Erie Railroad averted, was due to collateral issues entirely, which thus become an important and interesting part of the Story of Erie.

Up to the time of the completion of the Erie Canal, in 1825, Newburgh, N. Y., by reason of her boating facilities on the Hudson River, and through a system of turnpike roads which brought her in direct communication with New Jersey, Pennsylvania, and New York State, and as far west as the "Lake Country," was the most important commercial center between New York and Albany, and had been such for many years. The canal diverted much of Newburgh's western trade, but the place still retained its ascendancy as the distributing point of the commerce of Northern New Jersey and Pennsylvania and Southern New York until the Delaware and Hudson Canal was opened in 1829. Although this canal was constructed by a private corporation, primarily for the purpose of transporting that corporation's own coal to market, its facilities made it to such a great extent a common carrier that the trade of a wide area of country that had long been controlled by Newburgh soon discovered the advantages of this canal as a means of transportation, and its outlet to market and the inlet of its commercial exchanges was removed from Newburgh to Rondout. Although Newburgh still commanded the trade of a community large enough to provide ample business for several lines of sloops, that class of craft being employed almost exclusively in transportation on the Hudson River at that time, she was far from content to occupy a place of importance secondary to that of the tide-water terminus of the Delaware and Hudson Canal, which the increasing favor with which anthracite coal was being received in the market was destined to carry to a position of great prominence in the commercial world. To regain the prestige she had lost, and to rise to new and greater business eminence, Newburgh decided that there could be no better means than the connecting of herself with the Pennsylvania coal fields by a railroad. Acting on this decision, which was reached

at a public meeting of citizens held in the fall of 1829, the Legislature was applied to for a charter incorporating the Hudson and Delaware Railroad Company. The charter was granted on April 30, 1830. Thomas Powell, whose son-in-law, Homer Ramsdell, subsequently became a power in New York and Erie affairs; Christopher Reeve, David Crawford, Joshua Conger, John P. DeWint, Charles Borland, John Forsyth, and William Walsh were named as the incorporators of the company. The capital of the company was placed at \$500,000, with power to increase it to \$1,000,000, and it had authority to construct a railroad from any point in the village of Newburgh through the county of Orange to the Delaware River, with three years in which to begin work upon it. Just how a railroad from Newburgh to the Delaware River was to connect the former place with the coal regions does not appear, for from the nearest point where it might have reached the Delaware River in Orange County the coal regions were sixty miles distant, with any number of high and forbidding ranges of hills intervening. But whatever might have been the supplemental intentions of the projectors of this railroad, they were never made known, for, although subscription books were opened to give Newburgh and other Orange County citizens an opportunity to contribute money toward building the Hudson and Delaware Railroad, the three years' life of the charter passed away before a beginning was made, and Rondout remained the tide-water terminus of the anthracite coal trade.

It was not until 1835, after the New York and Erie Railroad project had been nearly four years in getting any kind of a start, that Newburgh awoke to the fact that the time was probably ripe for her to become a railroad terminus. Differences had come among the men who had been instrumental in carrying the New York and Erie scheme to public notice. Some of these were not in favor of having the Eastern terminus of the railroad at Tappan Slote, among them the President of the Company, James G. King, and his friends in the Board of Directors. The Newburgh people had received a hint from King or his friends in the Board, it was alleged, that the situation was such that it might avail them much if they

should make an effort to have their village selected as the Eastern terminus of the New York and Erie Railroad. It was also alleged that to give Newburgh a chance to obtain legislation that would secure that end, contracts were let and work was begun on the New York and Erie Railroad in the Delaware Valley, in November, 1835, instead of at some point on the Eastern section of the proposed route.

Soon after work was begun on the Erie between Deposit and Callicoon, the people of Newburgh, moving, it was alleged, on the hint they had received, took decisive action. At a public meeting held at the Orange Hotel on the evening of November 30, 1835, to discuss the course Newburgh ought properly to take on the question of the proposed appeal of the New York and Erie Railroad Company to the State for aid, that course was clearly seen, and the meeting unanimously resolved that the people of Newburgh would unite in the petition that the State should become a subscriber to the Company's stock. They also united in a petition for a charter for a railroad from Newburgh to the Delaware River, pledging their liberal support to the building of such a road. This railroad, according to a resolution under which a committee was appointed to confer with the Directors of the New York and Erie Railroad Company, was designed to be a portion of the railroad of that Company, and was to be the means through which the efforts of the people of that vicinity were "to be united with that (the Erie) Company in the successful prosecution of the project for constructing a railroad from Lake Erie to the Hudson River."

The struggle for the Eastern terminus of the New York and Erie Railroad that followed was not long, but it was a fierce one. New York City opposed the Newburgh terminus because it left the railroad too far from the metropolis. The Newburgh route would also have left Middletown, Goshen, and all of Southern Orange County, and Rockland County, without a railroad. The claims of Newburgh were not sufficient to overcome the great opposition the proposed change aroused, and Tappan Slote was officially selected by the Board of Directors of the Company as the Eastern terminus of the New York and Erie Railroad. But the men who had taken up

the cudgel for Newburgh in the matter of securing a railroad for her did not surrender when defeated in their efforts to get the Erie terminus on her docks. If the New York and Erie Railroad would not come to them, they would go to the New York and Erie Railroad, and trust to future circumstances to adjust matters advantageously. Consequently, on April 21, 1836, the charter of the Hudson and Delaware Railroad Company was renewed by the Legislature, with David Crawford, Thomas Powell, Christopher Reeve, Oliver Davis, John Forsyth, Joshua Conger, David Ruggles, and Benjamin Carpenter as incorporators of the company, which was organized June 15, 1836, by the election of the following Board of Directors: Thomas Powell, John Forsyth, David Crawford, Benjamin Carpenter, John P. DeWint, John Ledyard, Christopher Reeve, Gilbert O. Fowler, James G. Clinton, Nathaniel Dubois, Samuel G. Sweden, David W. Bate, and Oliver Davis. Thomas Powell was made President; David W. Bate, Vice-President; John Ledyard, Treasurer; and James G. Clinton, Secretary. A route for the proposed railroad was surveyed by John M. Sargeant. It extended from the Newburgh water front southwest thirty-eight miles to the New Jersey State line. Money sufficient being raised, a section of the road-bed between Newburgh and Washingtonville was put under contract, and ground was broken November 3, 1836, amid great public rejoicing. Newburgh village, through its trustees, subscribed to \$150,000 worth of the company's stock in 1838, and paid in \$10,000 of the amount. This amount and all the rest of the funds the company had raised were exhausted before the grading on the first contract was completed, and work was discontinued.

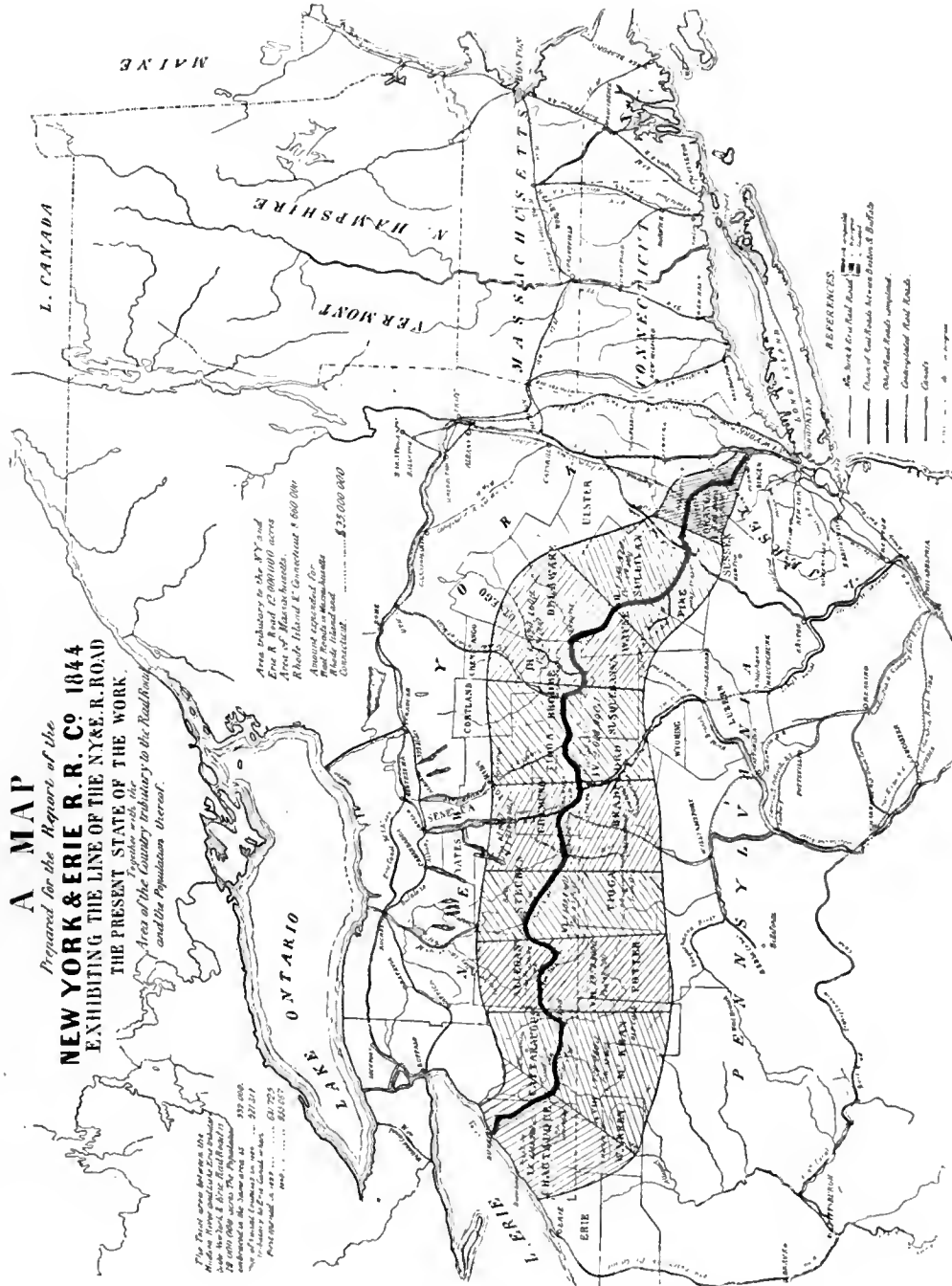
In 1840, what might be called the anti-Newburgh influence in the New York and Erie Railroad project having come into entire control of that Company, through the miscarriage of the efforts of those previously at the head of its affairs to make any material progress with the work, the people of Newburgh came forward again with an effort to save their chances for connection with that railroad. Contracts had been let and work begun on the Eastern section of the road between Piermont and Goshen, but the financial management of the Company had

not served to inspire the investing public with a degree of confidence sufficient to command further contributions from it, and the State was to be again asked to extend a helping hand. In this crisis Newburgh thought she saw her opportunity. A public meeting of her citizens was held on March 4, 1840, and significant resolutions, to be presented to the consideration of the Legislature, were adopted. In substance, these resolutions declared that if any further aid was to be extended to the New York and Erie Railroad Company, the expenditure of the money should be made under the more immediate supervision of the State, and upon the Middle and Western sections of the road, where connection could be made with existing internal improvements and yield immediate profit, which could not be effected by constructing the Eastern end of the road first, as was then being done; and, further, that no more aid be given the Company by the State unless it be accompanied by the legislative requirement that a branch of the railroad, to terminate at Newburgh, should be constructed as part of the work then in hand. But this effort also failed of its purpose, and Newburgh was obliged to see additional large and profitable sources of her trade turned into another direction by the opening of the railroad between Piermont and Goshen in September, 1841.

Circumstances did not again offer opportunity for Newburgh to move with any show of success toward securing her coveted railroad connection until 1845, when the New York and Erie Railroad Company came forward again as a supplicant for State aid in the Legislature, as we have seen. The Erie question was complicated by the fact that, besides the relief applied for, the matter of a change of the route of the railroad in Sullivan County and between Deposit and Binghamton was one to be considered and acted upon by the Legislature at the same time. The opposition to this in the localities to be affected by the proposed change was led by influential men in the politics of the State, and the manner and methods of the representatives of the Company at Albany in efforts to bring about favorable action thereon by the Legislature had not popularized the measure in that body. Then, again, a United States Senator was to be chosen, and a leading candidate

*Prepared for the Report of the*  
**NEW YORK & ERIE R. R. Co 1844**  
**EXHIBITING THE LINE OF THE N.Y. & E. R. ROAD**  
**THE PRESENT STATE OF THE WORK.**

*Together with the  
Area of the Country tributary to the Railroad  
and the Population thereof.*



### REFERENCES

The York & Grosvenor Road <sup>1890-1900</sup> <sup>1900-1910</sup> <sup>1910-1920</sup> <sup>1920-1930</sup> <sup>1930-1940</sup> <sup>1940-1950</sup> <sup>1950-1960</sup> <sup>1960-1970</sup> <sup>1970-1980</sup> <sup>1980-1990</sup> <sup>1990-2000</sup> <sup>2000-2010</sup> <sup>2010-2020</sup> <sup>2020-2030</sup> <sup>2030-2040</sup> <sup>2040-2050</sup> <sup>2050-2060</sup> <sup>2060-2070</sup> <sup>2070-2080</sup> <sup>2080-2090</sup> <sup>2090-2100</sup> <sup>2100-2110</sup> <sup>2110-2120</sup> <sup>2120-2130</sup> <sup>2130-2140</sup> <sup>2140-2150</sup> <sup>2150-2160</sup> <sup>2160-2170</sup> <sup>2170-2180</sup> <sup>2180-2190</sup> <sup>2190-2200</sup> <sup>2200-2210</sup> <sup>2210-2220</sup> <sup>2220-2230</sup> <sup>2230-2240</sup> <sup>2240-2250</sup> <sup>2250-2260</sup> <sup>2260-2270</sup> <sup>2270-2280</sup> <sup>2280-2290</sup> <sup>2290-2300</sup> <sup>2300-2310</sup> <sup>2310-2320</sup> <sup>2320-2330</sup> <sup>2330-2340</sup> <sup>2340-2350</sup> <sup>2350-2360</sup> <sup>2360-2370</sup> <sup>2370-2380</sup> <sup>2380-2390</sup> <sup>2390-2400</sup> <sup>2400-2410</sup> <sup>2410-2420</sup> <sup>2420-2430</sup> <sup>2430-2440</sup> <sup>2440-2450</sup> <sup>2450-2460</sup> <sup>2460-2470</sup> <sup>2470-2480</sup> <sup>2480-2490</sup> <sup>2490-2500</sup> <sup>2500-2510</sup> <sup>2510-2520</sup> <sup>2520-2530</sup> <sup>2530-2540</sup> <sup>2540-2550</sup> <sup>2550-2560</sup> <sup>2560-2570</sup> <sup>2570-2580</sup> <sup>2580-2590</sup> <sup>2590-2600</sup> <sup>2600-2610</sup> <sup>2610-2620</sup> <sup>2620-2630</sup> <sup>2630-2640</sup> <sup>2640-2650</sup> <sup>2650-2660</sup> <sup>2660-2670</sup> <sup>2670-2680</sup> <sup>2680-2690</sup> <sup>2690-2700</sup> <sup>2700-2710</sup> <sup>2710-2720</sup> <sup>2720-2730</sup> <sup>2730-2740</sup> <sup>2740-2750</sup> <sup>2750-2760</sup> <sup>2760-2770</sup> <sup>2770-2780</sup> <sup>2780-2790</sup> <sup>2790-2800</sup> <sup>2800-2810</sup> <sup>2810-2820</sup> 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<sup>4230-4240</sup> <sup>4240-4250</sup> <sup>4250-4260</sup> <sup>4260-4270</sup> <sup>4270-4280</sup> <sup>4280-4290</sup> <sup>4290-4300</sup> <sup>4300-4310</sup> <sup>4310-4320</sup> <sup>4320-4330</sup> <sup>4330-4340</sup> <sup>4340-4350</sup> <sup>4350-4360</sup> <sup>4360-4370</sup> <sup>4370-4380</sup> <sup>4380-4390</sup> <sup>4390-4400</sup> <sup>4400-4410</sup> <sup>4410-4420</sup> <sup>4420-4430</sup> <sup>4430-4440</sup> <sup>4440-4450</sup> <sup>4450-4460</sup> <sup>4460-4470</sup> <sup>4470-4480</sup> <sup>4480-4490</sup> <sup>4490-4500</sup> <sup>4500-4510</sup> <sup>4510-4520</sup> <sup>4520-4530</sup> <sup>4530-4540</sup> <sup>4540-4550</sup> <sup>4550-4560</sup> <sup>4560-4570</sup> <sup>4570-4580</sup> <sup>4580-4590</sup> <sup>4590-4600</sup> <sup>4600-4</sup>

(This map is interesting as showing the idea of the Erie's management of that day, as to what territory the railroad was expected to draw its patronage from, as if there were never to be another railroad to come into all that country and divide its tribute with the Erie. The sections in red indicate completed railroad. The yellow portions show where changes in the route were contemplated. The blue lines mark portions of the railroad where work had been under contract, but was suspended in 1842. The small isolated section of the railroad about midway of the route, shown in red, was completed to secure valuable right of way and concessions of land free through the Erwin farm, near Painted Post, N. Y.)



for the office was from a part of the State particularly interested in the affairs of Erie then under discussion. This was Daniel S. Dickinson of Binghamton. The interests of those demanding a change of the Erie route were in the hands of Alexander S. Diven and Maj. Thompson S. Brown, the latter the Chief Engineer of the Company. The President of the Company, Eleazar Lord, and his friends in the Board, were not in favor of the change in route, but were eager for some measure that would rescue Erie from the difficulties that threatened to overwhelm it. Taken all in all, the situation in the New York Legislature for the session of 1845 was peculiarly one for log-rolling and the making of combinations dear to the heart of the legislator and the politician. Robert Denniston of Salisbury Mills, Orange County, on the line of the long-sought-for railroad from Newburgh toward the Pennsylvania coal fields, represented that district in the State Senate. Thornton M. Niven of Newburgh was a member of the Assembly. They were Democrats, and the Legislature was Democratic. They were not only astute and influential politicians, but they were alert, and watchful of the interests of Newburgh. They were not committed in favor of or against a change of the Erie route, for or against measures for the Company's relief, nor to any particular candidate for United States Senator. But they were solid and determined in the matter of enhancing Newburgh's welfare, and no opportunity escaped them. The situation in the Legislature was their great opportunity. Assemblyman Niven was one of the ablest and most popular men in the lower house, and he wielded great influence there. He was able to either hinder or forward the plans of the Erie in the matter of a bill giving it its desired relief, for the feeling in the Legislature toward the Erie was far from friendly. The Company was not asking at Albany authority to construct a branch railroad from its main line to Newburgh, as it had more on its hands then than it could see its way entirely clear to accomplish, even if reinforced by the legislation it was seeking, but the Newburgh legislators were resolved that the Company should have such authority and agree to build such a railroad or fail in its appeal for relief. The result was that the Company was obliged to

enter into an agreement with them, or rather with the Hudson and Delaware Railroad Company (the Newburgh corporation whose charter had been so often revived), by which the New York and Erie Railroad Company bound itself to take a transfer of all the rights, franchises, and possessions of the Hudson and Delaware Railroad Company, to pay "not less than \$40,000" for the same, and to build a branch railroad, "the condition of the building of the branch road being the passage in the Legislature of the Erie relief bill and a bill incorporating the Newburgh Branch Railroad, and the subscribing by the Hudson and Delaware Railroad Company of \$140,000 to the capital stock of the New York and Erie Railroad Company, the work on the branch to progress as rapidly as, and simultaneously with, the work on the main line, until \$300,000 had been expended on the branch. If that sum was not sufficient to complete it, the Hudson and Delaware Company should provide the balance necessary to finish the work." This agreement was prepared at the instigation of Thomas Powell, Homer Ramsdell, and others of Newburgh, and was signed March 19, 1845. An act authorizing the Erie to construct the Newburgh Branch became a law April 8, 1845, and an act granting relief to the Erie, so that work on the main line might be carried forward, became a law May 14th. The Erie was reorganized, and the Newburgh Branch was the first work put under contract under the new order of things. But before this new order of things came to pass, the Company was to experience much more of trial and tribulation.

This relief bill released the Company from all liability to the State, provided it should construct a railroad with a single track from the Hudson River to Lake Erie, within six years from the date of the act. It authorized the issue of \$3,000,000 of bonds in liquidation of the State lien, on condition that a subscription to the Company's capital stock of \$3,000,000 should be obtained within a year and a half, and twenty-five per cent. be collected thereon and expended in construction of the railroad, and the real estate of the Company be discharged from all incumbrances, the bonds to have priority over all other liens, and the annual interest upon them from the date of their issue to the time fixed for the com-

pletion of the road to be deposited with the State Comptroller. The act provided for an agent to be nominated by the Railroad Company, with the approval of the Governor, and to give a bond of \$50,000, and whose duty it would be to assure faithful appropriation of the bonds. The State reserved the privilege of purchasing the railroad within one year after completion, on repayment of its cost and fourteen per cent. additional. The existing stockholders were not to be subject to the law unless they should within six months from its passage exchange two shares of old for one of new stock. The Company was required to pay to the State dividends that might accrue on any unexchanged stock, until such dividends should be sufficient to pay off a proportionate amount of the State lien, or the whole amount of outstanding stock on that lien, which lien was equal to about double the stock. The act also provided for the examination into the merits of the case regarding a change of route. This was really the most consistent and business-like provision that had been devised for the advancement of the New York and Erie Railroad since the Company was formed more than ten years before.

Hon. Ausburn Birdsall, in his "Reminiscences of Binghamton," published in the *Binghamton Democrat*, contributes an interesting chapter on the inside history of the Erie Relief Bill: "On the first day of March, 1845," he writes, "I received a letter from Alexander S. Diven, from Albany, requesting me to come to Albany, at once, to aid in securing favorable legislation in behalf of the Erie Railroad. Mr. Diven, as the agent of the Company, and Major Brown, its Chief Engineer, had been in Albany during the session thus far, but had been unable to make any progress in their efforts to secure the legislation they desired. They knew I had spent the earlier part of the session at Albany as the confidential friend of Mr. Dickinson, who had been elected United States Senator, for the full term of six years from the 4th of March, and they hoped that my acquaintance and influence with members, obtained during the Senatorial contest, would enable me to render important aid in securing favorable legislation. \* \* \* The State had loaned the Company

three millions of dollars, and taken a first mortgage on the whole property of the Company. The relief sought to be obtained, was the release and discharge of this first mortgage, \* \* \* and although the loan was obtained on the report and assurance of the Company and its engineers, after a full and careful survey, that a practicable route was found through the Southern Tier of counties, from the Hudson River to Lake Erie, the Company now asked, not only a release and cancelment of the three million mortgage, but that it should be allowed to construct a portion of the road in the State of Pennsylvania. As the road and the loan of the three million was intended to benefit the Southern Tier and the adjacent territory in New York, Mr. Diven and Major Brown found their efforts blocked by those opposed to allowing any portion of the road being taken out of the State.

"When I reached Albany I soon ascertained the exact situation. George Noble of Unadilla, a man of uncommon intelligence and a wonderfully persuasive tongue and manner, with his wife, a daughter of the Hon. Sherman Page, had taken quarters at the Bement Hotel on State Street, for the winter, to fight against any legislation that should authorize the road to leave the State. All the other counties interested, besides their members of the Legislature, were represented in force at Albany to oppose Diven and Brown. This opposition extended from Orange County to Binghamton. After a canvass of these opposing forces I told Mr. Diven and Major Brown that unless this local opposition along the line of the road could be conciliated, there could be no hope of obtaining the legislation they desired. They insisted that the Company must have not only a release and discharge of the three million mortgage, but also the right to cross into Pennsylvania on certain portions of the line, or the Company would not undertake the further construction of the road. The great question was, whether such legislation as they desired could be obtained under such discouraging circumstances. All this local opposition to Diven and Brown wanted the road built and they wanted it desperately, but they wanted it built within the State, where it had been surveyed and declared feasible, for the benefit of our own people for whom it was

intended. They would have to be taxed to pay the three million mortgage, if released, and they wanted the pledge of the Company fulfilled.

"Diven and Brown were thoroughly aware of the insurmountable difficulties that seemed to lay in the way of obtaining the legislation they desired. Their wheels had been completely blocked thus far, and they asked me if I could not devise some plan that would secure what they wanted. I told them I would try, and they placed the matter entirely in my hands.

"My first move was to see the members of the Legislature from Orange County, for although a single track of the road had been opened to Middletown, in that county, they were all, the members and Senator, in open hostility to Diven and Brown. Thornton N. Niven of Newburgh, one of the three members, was one of the most prominent and influential members of the Assembly. He had been among the most earnest supporters of Mr. Dickinson for Senator, and in that fight I had won his devoted friendship. In casting about in my mind by what means I could quiet the hostility of Orange County, I suggested to Mr. Niven a branch of the road to Newburgh. He accepted the suggestion without a moment's hesitation, and that was agreed upon as a part of the programme of conciliation. A branch to Newburgh would not only help Newburgh, but would help the Erie as well. To this Diven and Brown agreed at once. And this not only more than satisfied the delegation in both branches from Orange County, but it gained their active support in the effort to conciliate the other hostile localities. All these hostile localities wanted the road built.

"This opposition to the plan of Diven and Brown of allowing the road to leave the State extended from Middletown to Binghamton, and was resolute and determined. Diven and Brown for the Company, insisted that the Company must not only have a release of the three million loan, but the right to cross over into Pennsylvania on certain portions of the line. The great point was to provide a solution of this difficulty. This required careful labor, and much friendly intercourse with these hostile elements. In my conference with them I suggested the

plan of a commission of eminent railroad engineers, acquainted with the location and construction of railroads, to be agreed upon and named in the bill, who should examine the line as surveyed within the State, and if upon such careful examination they should decide that the line as already surveyed and located was practicable, that the road should be kept within the State—but if upon such careful examination the commissioners should decide, under oath, that the location within the State at certain points was not practicable, then the road might be laid in Pennsylvania, where the line within the State was decided to be impracticable. This proposal, after full discussion and consideration by the hostile forces, was finally accepted and agreed upon, and met with no opposition from Diven and Brown, as with them it was this or nothing. The names of the commissioners were agreed upon to be inserted in the bill, and the bill was to include a provision for the release and discharge of the three million mortgage held by the State.

"By these arrangements all local opposition was changed to active support, and the hope was renewed that the Erie road, which had lain dead for years with a single track to Middletown, would be brought to life and finally sent forward to completion to Lake Erie. A programme of united effort had been reached in which all the forces of the opposition now united to make it successful in the Legislature, if possible. I prepared a bill to carry out these provisions, which met the approval of all the interests involved, which was introduced in the Senate and was there to be under my special care. A bill involving such important interests could not be rushed through the Legislature in a hurry. \* \* \* A feeling of indifference if not of hostility would be encountered. A release of a three million obligation would involve an increase of the State debt to that extent, which the tax-payers of the whole State would have to meet. And there was a general feeling that the affairs of the Company had not been well managed. It was thought that the three millions loaned by the State had not been altogether carefully and judiciously expended. The wooden piles driven to build the road on stilts in certain sections were rotten in the ground. But this did not lessen the

desire of the people in the Southern Tier of State for the construction of the road, which now depended upon favorable legislation. The road lay dead at Middletown, and the only hope of its resurrection was involved in the issue at Albany.

"Our bill was introduced in the Senate, that being the less numerous body, as a thorough canvass of the Senate could be more easily and quickly made than in the Assembly. Its progress in the Senate was slow. It took a long while to get it acted on favorably in committee and reported to the Senate, and a long while as it seemed to advance it so as to be placed on the calendar for final passage. But this delay gave me time to thoroughly canvass the Senate. Mr. Diven and Major Brown became impatient at this delay, but I assured them that the prospects were good, and they found consolation and rest in playing whist at their elegant quarters at the grand old Eagle Hotel.

"I had thoroughly canvassed the Senate before the bill was ready for its third and final reading. I had received positive assurance that nineteen Senators would vote for the bill. It was a 'two-thirds' bill, requiring twenty-two votes for its passage. The Senate consisted of thirty-two members. To make the requisite number of twenty-two I looked to Senators John A. Lott of Brooklyn, Erastus Corning of Albany, and Thomas B. Mitchell of Montgomery County. From their location they were not favorably inclined toward the legislation we desired. They had actively supported Mr. Dickinson in the Senatorial contest, and were his warm friends, and I appealed to them to support our bill on personal consideration. They would not promise positively to vote for the bill. The most they would say was that they might vote for it if their votes were necessary for its passage, out of personal considerations.

"When the bill came up on its final passage I took care that every Senator upon whose vote I had depended was in his seat. I placed myself behind Judge Lott and Mr. Mitchell, as they occupied adjoining seats and stood where I could whisper in their ears. I thought perhaps my presence might have a favorable influence when the crisis came. They could not help seeing my great anxiety and

they indulged in some pleasant badinage at my expense, which gave no assurance as to how they would vote.

"On the first call of the roll, Mr. Corning, whose name stood near the head of the list, did not vote. This alarmed me, as his omission to vote would be fatal. But I noticed that after his name was called and he did not answer, that he left his seat and walked up to the clerk's desk, and stood by the side of the clerk who was calling the roll. When the names of Judge Lott and Mr. Mitchell were called, each looked smilingly at me, and voted 'Aye.' When the roll call was finished, which Mr. Corning had been watching by the side of the clerk, and before the result of the vote was announced, Mr. Corning stepped back toward his seat and requested that his name be called. The clerk called 'Erastus Corning,' and Mr. Corning responded 'Aye!' That settled the question, and the clerk announced the vote, 'Ayes, twenty-two.' The 'Noes' I did not listen to hear.

"Diven and Brown were so well pleased with the passage of the bill through the Senate that they offered me the enormous sum of one hundred dollars if I would secure its passage by the Assembly within a certain number of days—I do not remember now how many days. I told them I thought they ought to be quite satisfied if the bill became a law at any time before the close of the session. So they returned to their whist and euchre, at their easy quarters at the Eagle Hotel, and I turned my attention to the Assembly.

"The field of labor was largely extended when the bill reached the Assembly. Instead of thirty-two members as in the Senate, the Assembly consisted of one hundred and twenty-eight members. In this branch I had active and earnest co-laborers. Thornton N. Niven, my friend from Newburgh, took special charge of the bill in the Assembly. George Noble of Unadilla became as earnest in his support of the bill agreed upon as he had been in opposition to the plans of Diven and Brown. Colonel Fellows, one of the three members of the Assembly from Otsego County, the neighbor of Mr. Noble, was active in support of the bill. Gen. Frederick Mather, a member of the Assembly from

New York, was also an efficient worker in our behalf.

"Mr. Niven brought with him from Newburgh Homer Ramsdell, a son-in-law and partner of John Powell. Powell and Ramsdell were the great freighters from Newburgh, owning many vessels. Mr. Ramsdell's influence was felt at Albany, for he was widely known, had a fine address, and was a good talker. His presence was an inspiration. A New York merchant by the name of Loder—Benjamin Loder—was then President of the Erie Company. I think he came to Albany once, but he could do us no good. He was so conscious of being President of the Erie Company that his manners did not attract country members. We did not care to have him remain.

"The detail of the work in the Assembly I shall not attempt to describe. It is enough to say that it was thorough and exhaustive. No stone was left unturned to secure success. The progress of the bill was slow, as that gave us time to work, and it was not ready for final passage until the very close of the session. By that time we were quite ready for the final vote. It required eighty-eight responses in the affirmative to pass the bill. It received nearly one hundred votes, the exact number I do not remember. And in all this work, not a dollar was spent to influence legislation. It was persistent argument in behalf of the 'Southern Tier.' And in this work, neither the Erie Railroad Company nor any of its agents or employees, gave any assistance.

"The session closed on the 14th day of May, and I think our bill passed on the very last day. I had made only one visit to my home in Binghamton during this time from the 1st of March to the 14th of May. I had paid my own expenses. Not a dollar had been furnished me by Diven and Brown, or by the Company. They said I would have to go to New York, and I would be paid for my services. So I followed them to New York. I did not stop at the same hotel. They went to the Stephens House, at lower Broadway. I put up at the City Hotel. I waited patiently about a week, and Diven finally appeared, bringing to me the enormous sum of one hundred and forty dollars! He claimed that that was all he could raise for me. This did not

fully pay my expenses—eleven weeks at Albany and one in New York—besides travel. I took the money, with a feeling, 'What a poor, mean concern you must represent!' From subsequent events, I reached the conclusion, that Diven and Brown, who had spent the entire session at Albany and returned to the Company in New York with the bill as passed, took the entire credit of its passage to themselves, and failed to disclose the fact that they were indebted to me for any material service. I did not go to the Company at all. I found further on my return home that they had been trying to steal into the bill, without my knowledge, an amendment allowing the Company to go through New Jersey to New York. Judge Vincent Whitney afterward told me that in a conversation with Diven, Diven complained that Birdsall prevented their getting an amendment to the bill allowing the Company to go to New York through New Jersey. The truth was, that I was not aware that Diven and Brown were proposing any such amendment. If I had known of any such purpose, I should have denounced it, not only as a breach of faith with Orange and Rockland counties, but as fatal to the passage of the bill."

It does not detract from the entertaining character of Mr. Birdsall's narrative that his recollection is at fault somewhat, but historical accuracy is marred thereby. For instance, Homer Ramsdell's father-in-law and partner was not John Powell, but Thomas Powell. Eleazar Lord was President of Erie while the relief bill was being discussed by the New York Legislature, not Benjamin Loder, who was not chosen to the office until midsummer, 1845. Mr. Birdsall says that he was in ignorance of the fact that Diven and Brown had attempted to secure an amendment to the relief bill giving the Erie authority to enter New Jersey. It is evident that he was also ignorant of the agreement forced from Erie in the matter of the Newburgh Branch by Messrs. Niven, Ramsdell, Dennison, and Powell, before any vote was taken on the bill in either the Senate or Assembly, and without which all of Mr. Birdsall's efforts in behalf of the bill would have been lost on his Newburgh friends and those they might have influenced. As will have been seen on preceding pages, the matter, also, of a Newburgh branch rail-

road and the idea of a change of the route of the railroad into Pennsylvania were things years old in discussion before this legislation came up.

But this bill did not settle the disturbing question of the proposed change of the railroad route through Sullivan County and elsewhere. It provided for a resurvey and examination of those parts of the original route, which was opposed to the policy of President Lord. Agitation of the subject increased, and the differences of opinion upon it in the Board led to serious disturbance of relations in that body, with the result that no advantage could be taken of the relief legislation until the question could be disposed of.

The first suggestion of this change of the route that attracted serious public attention, although Engineer Johnson had referred to it that same year, was made by Dr. John Conkling of Port Jervis, N. Y. This was in September, 1836. The proposed building of a railroad from the Hudson to the lakes had opened the eyes of the Eastern people in various localities to the possibilities of such an undertaking; and, although in those infant days of railroad building, ideas and plans as to such work were vague and crude, there were projected not a few schemes that had in view, if not a consummation similar to the New York and Erie Railroad in its entirety, at least the showing of a collateral importance of such weight as to attract attention to them as factors worthy of consideration as economic forces to quicken the life and insure the better success of the original grand enterprise. One of these was a railroad chartered by the New Jersey Legislature at the session of 1836. It was to extend from Morristown by the way of Lake Hopatcong to Sparta, thence by the way of Branchville, Sussex County, up the valley of the Paulinskill, through Culver's Gap in the Blue Mountains to the Delaware River, and up the valley of the Delaware to Carpenter's Point, at the mouth of the Neversink River, now a suburb of Port Jervis, on the border lines of New York, New Jersey, and Pennsylvania. It is not likely that another railroad was ever chartered to be built having as one of its terminals a rope ferry. There was then, and for many years afterward, a primitive ferry of this kind

that carried an equally primitive scow to and fro across the Delaware River between Carpenter's Point and the Pennsylvania side of the river; a ferry that was in itself insignificant, but which was a most important link in a chain of stage-coach transportation between the Hudson River and the West. Until the New York and Erie Railroad was completed to Goshen in 1841, the main artery of travel from New York to that then indefinite portion of the State known as "the Lake Country" was the coach road from Hoboken, by way of Paterson and Pompton Plains, northwest through New Jersey to the Delaware River, a mile below Milford, Pa., thence by the Milford and Owego Turnpike, over the hills and through the forests of Northeastern Pennsylvania, to New York State again. From Newburgh a great feeder of this route, (upon which in those days it was no uncommon sight to see six-horse coaches closely following one another, laden with passengers, and immense cavalcades of heavily-burdened freight wagons passing to and fro) ran by the way of Montgomery on through Orange County to Carpenter's Point, where the rope ferry carried the coaches across the river, the road leading thence to Milford, seven miles, where connection was made with the through coaches on the Milford and Owego Turnpike.

And that was why the proposed railroad was directed toward that rope ferry as its northern terminus. Independent of the regular commercial travel on these coach roads, the tide of emigration westward was then running strong, and this New Jersey railroad was designed to divert it from a great portion of the coach route and hasten it toward its destination, the belief being that a road thus local in its character could and would be completed long before a section of similar length in a continuous trunk line could be put in operation. This belief was shared by many friends of the Erie project, and Dr. Conkling, at that early day a leading man in the Delaware Valley, a position he held for more than half a century afterward, wrote as follows to a friend, after his return from an extended trip through the West:

The New York and Erie Railroad Company is looked to with a lively interest by all west of the lakes as the great thoroughfare by which they are to get to New York City.

The people of that vast region of country prefer doing business in New York to any other city on the Atlantic coast, and it is by means of this road that they expect to be enabled to consummate their wishes. How very important it is, then, that the best possible route be fixed on, that these just expectations may be realized. I would say, therefore, that no time should be lost in hastening it to its final completion, and that instead of running over the mountains of Sullivan, Orange, and Rockland, and landing at last on the Hudson River, which is frequently obstructed by ice, I would suggest the consideration of a change in the termination of the road by following the Delaware River from the mouth of the Callicoon to Carpenter's Point, in Orange county, and there connect with the New Jersey railroad, from this point to Jersey City, opposite New York City. When at Carpenter's Point we are nearer New York City than the route the road now takes to the Hudson River, and I am told that by the recent survey of the New Jersey road there is no grade that will exceed twenty feet to the mile, so that from Deposit to the city of New York a locomotive could run the whole distance.

But the New Jersey railroad never got any further on in its existence than the survey, and even if it had been built, the New York and Erie Railroad could not have made connection with it, because of the provisions of its charter preventing junction with any railroad out of New York State. It will be remembered that when Dr. Conkling wrote as above, work was progressing on the New York and Erie Railroad in the Delaware Valley, eastward and westward between the mouth of the Callicoon Creek and Deposit, N. Y., under President King's administration. Whether or not serious thought was engendered in the mind of the public interested by Dr. Conkling's suggestion, such a change in route began to be agitated four years later, and the ultimate result of it was another deplorable upheaval in Erie affairs, with sequences that agitated for a year the Legislatures of New York and Pennsylvania, and kept the people of a considerable portion of the latter Commonwealth in a condition of long and painful suspense.

Eleazar Lord, who had made pledges in 1840 to Sullivan County citizens that the route of the road should not be changed, stood up for his word. Members of the Board published a statement that the change was necessary, and the Legislature appointed a Commission to examine the original route and the one proposed, and report its views. The labors of the Commission also included an examination of a proposed change in the route from Deposit to the Susquehanna Valley. The members of the Commission as finally decided upon were Horatio Allen, Chairman; John B. Jervis, Orville W. Childs, Jared Wilson, William Dewey, and Job Pierson.

The course President Lord took in the matter of the proposed change of route, although it was the only one, so he held, that he could honorably take, made him exceedingly unpopular, in and out of the management. The Treasurer of the Company refused to pay interest on the Company's debts, or to pay out money for any purpose. Capitalists would not subscribe to the new Erie loan, they declared, unless Lord's connection with the Company ceased. Mr. Lord at last said he would resign as soon as \$3,000,000 were subscribed to the Erie fund as required by the act of 1845. A syndicate of his opponents pledged themselves to raise that amount at once if he would retire. He resigned in July, 1845, and never again took any directing interest in the affairs of the Company, of which it may be truly said he was one of the founders. James Harper, of the publishing house of Harper Brothers, and ex-Mayor of New York, was elected to succeed him, but declined to serve. Benjamin Loder was then chosen as President, and a new epoch in Erie history began.

## CHAPTER X.

### ADMINISTRATION OF BENJAMIN LODER—1845 TO 1853.

I. THE ADVANCE: The Case Stated in an Address to the Public—\$3,000,000 Loan Subscribed in a Few Weeks—Delay Caused by Tardiness of the Route Commissioners—The Contracts from Port Jervis to Binghamton Re-let—The Road Opened to Port Jervis—The Change of Route into Pennsylvania and Unforeseen Trouble that Came from it—The Matamoras Bridge and the Glass Factory Rocks, and the Milford and Matamoras Railroad—The Scrantons and their T Rail. II. THROUGH DARKNESS TO LIGHT—Again an Empty Treasury—\$8,000,000 Expended, and the Work One-half Done—Dark Prospects for the Railroad's Getting any Nearer Lake Erie—A Ray of Light—Another Idea of Diven—It Works Well, but Starts the Erie on its Fatal Career of Bonded Indebtedness—But the Railroad is Completed to Dunkirk. III. THE TRIUMPH: Final Link in the Chain—The Last Spike Driven—Opening of the Road from Piermont to Dunkirk, May, 1851—Celebration of the Greatest Commercial Event of the Day—The First Through Excursion Train and its Distinguished Passengers—President Fillmore, Daniel Webster, William H. Seward, Stephen A. Douglas, Governor Marcy, and many others—Ovations Along the Road—The Historic 15th of May at Dunkirk—The Ocean United with the Lakes. IV. RISING CLOUDS: President Loder Tenders his Resignation, but is Induced to Withdraw it—A New York Legislator's Prophecy, made in 1834, Comes True—Insufficiency of the Piermont Terminus Apparent—The Coming of the Ramapo and Paterson Railroad into the Field—The Ultimate Terminus at Jersey City Inevitable—Piermont Opposes it Unsuccessfully—The New Jersey Railroads Pass to the Control of the Erie—Events Immediately Following the Completion of the Road to Dunkirk—The First Dividend—Piling up the Debt—The Railroad Becomes Unpopular.

#### I. THE ADVANCE.

MR. LODER was a native of Westchester County, N. Y. He had been for twenty years in the dry goods trade in New York, and had accumulated a fortune. It was said of him that he had never asked for bank accommodation in all his business career. According to a New York newspaper of that day, "he now, while yet in the prime of life, comes into the direction of the Erie Road with all the shrewdness which characterized the architect of his own fortunes, and the observation gained from his own daily intercourse with all classes of men lead them to believe that he is the Hercules, aided by a most able Board, who will, if any man can, drain the present miry slough."

If "all classes of men" held that belief, events proved that they had held it wisely, for even the metaphor of his newspaper friend did not daunt him. The difficulties President Loder overcame during his struggle to complete the work he had engaged to complete were unprecedented in the history of the road, shirking as he did no exercise of physical endurance, shrinking from no encounter with physical hardships, nor leaving untried any effort of his mind that might sustain and hasten to completion the task he had in hand. The Board of Directors

that came in with Mr. Loder was composed, besides himself, of the following individuals:

James Harper—Harper Brothers; Daniel S. Miller—Dater, Millèr & Co.; Henry L. Pierson—Pierson & Co.; Stuart C. Marsh—Marsh & Compton; Jacob Little—J. Little & Co.; Robt. L. Crooke—Crooke, Fowkes & Co.; Henry Sheldon—H. Sheldon & Co.; Henry Suydam, Jr.—Suydam, Reed & Co.; A. S. Diven, Elmira; John Wood—Wood & Merritt; Wm. E. Dodge—Phelps, Dodge & Co.; Shepherd Knapp—President Mechanics' Bank; Samuel Marsh, Homer Ramsdell, Cornelius Smith, Thomas Tleston.

President Loder's first act was to open books for subscriptions to \$3,000,000 of the capital stock of the Company, September 2, 1845, at the office of the Company, 50 Wall street. The plan of subscription was the payment of \$5 per share as soon as required by the Company after the entire amount had been subscribed, on condition that interest at six per cent. per annum be paid semi-annually on all the instalments from the date of the respective payments until a single track from the Hudson to Lake Erie and the branch to Newburgh should be completed and in use; no instalment to be called in until 30,000 shares at \$100 each were subscribed and accepted, nor any instalment to be more than \$25



BENJAMIN LODER



per share within a year after the \$3,000,000 had been subscribed, nor more than \$30 per share the second, nor more than \$45 the third year; every subscriber to the stock, after paying \$25 per share, and purchasing any bond or bonds issued under the act of May 14, 1845, to be entitled to exchange such bonds into stock of the Company at par, to an amount equal to his subscription.

President Loder issued an address to the public to accompany the plan for raising the necessary money. In this he made these interesting statements:

To complete a single track to Lake Erie, six millions of dollars are required. The cost of the work to the stockholders will then be \$7,350,000; and adding a liberal amount to provide for cars and engines for the commencement of business, the road, with a heavy (T) rail estimated at \$65 per ton, will be brought into use for less than \$20,000 per mile. The actual cost of the road will be over \$28,000 per mile, but the liberality of the State, and the surrender of half of the stock by the present holders, reduces it to this very low rate.

In reference to the estimates, it may be proper to state, that responsible contractors have offered to take the whole work at prices nine per cent. less than those assumed in the calculations on which they were based. If the road can be completed it must pay large dividends. The results obtained in the sections already in use prove this. The great length of the work, the productiveness of the country through which it passes and to which it leads, the absence of all danger of injurious competition from rival routes, the numerous branches already existing or in contemplation, exceeding in the aggregate the length of the main trunk, the immense market which this city (New York) will afford for agricultural products of every description, and the boundless country whose inhabitants must be supplied with merchandise to be sent in exchange, appear to leave no reasonable doubt on this most important question. To these considerations must be added the great improvements in motive power which have recently been made, and which have demonstrated fully that railroads can, and do, compete successfully in the transportation of articles of heavy merchandise with any other mode of conveyance.

With regard to the indebtedness of the company, the amount of which is about \$600,000, the board is happy to be able to state that, owing to the liberality manifested by the principal creditors, the time of payment for most of it has been extended, on satisfactory terms, the sum of \$486,839.37, in the shape of six and seven per cent. certificates, payable on the 1st of January, 1849. The holders of about one-half the remainder have agreed to settle by taking certificates of the same character, and the residue, including an amount due for work recently done on the Shawangunk summit, is in course of settlement, as the means of the company will permit.

Added to the other inducements are those of the release by the State of the \$3,000,000 loan, and the reduction of the old stock from \$1,500,000 to \$750,000, making altogether a bonus of \$3,750,000 to the new stockholders. Thus the whole work, on which about \$5,000,000 has been expended, will be represented by stock and debts to the amount of only \$1,350,000.

It may be proper here to state, that of the \$3,000,000 required to be raised by subscription, more than one million of dollars have been pledged in large sums by a very few friends of the road, leaving less than two millions to be raised by additional subscriptions, to secure the full benefit of the recent act of the Legislature.

It will be doubtless refreshing to the reader of this history, after he may have perused the record of managements of the Erie that came into existence something like a quarter of a century or more later, to turn back and re-read the above statement: "The whole work, on which about \$5,000,000 has been expended, will be represented by stock and debts to the amount only of \$1,350,000." In later days of Erie management this could well have been read thus: "The whole work, on which about \$1,350,000 has been expended, will be represented by stocks and debts to the amount of \$5,000,000."

A genuine inclination on the part of capital to take hold in earnest and push the New York and Erie Railroad to completion, now manifested itself. Individual members of the Board of Directors made committees of themselves to solicit subscriptions, and one of them, Director Sheldon, raised \$100,000 among the grocers of New York in one day. By the beginning of October, 1845, the entire loan of \$3,000,000 was subscribed, and Newburgh subscribed \$100,000 toward the building of the Newburgh Branch.

The Commissioners appointed in 1845 to examine the original route of the railroad, and report on the advisability of changing from the Sullivan highlands to the Delaware Valley, and from the circuitous course from Deposit to Nineveh to one over the Randolph Hills to Lanesboro (Susquehanna), did not complete their work until the latter part of 1846, and made their report to the Legislature in January, 1847. The Delaware and Hudson Canal Company having obtained a perpetual injunction against the Railroad Company securing a route along the western border of Sullivan County, on the ground that it would result in great damage to the Canal Company, whose canal extended along the east side of the river, the Commissioners were compelled to adopt the only other way to get into the valley, which was by crossing the Delaware River

from Port Jervis into Pennsylvania, and running on that side of the valley until the route could once more cross into New York State. This required enabling legislation from both New York State and Pennsylvania. The Commission, or a majority of its members, reported in favor of the change in the route, a decision that results proved to be in every way wise and proper.

While the Commissioners were in control of the location of the road between the summit of the Shawangunk Mountains, near Otisville, to Binghamton, 130 miles, there was no work for the Company to proceed with except the eight miles from Middletown to Otisville, then under contract. The decision of the Commissioners, therefore, having been so long delayed (unavoidably, they averred), the progress of the railroad toward completion was necessarily correspondingly suspended. In a call made by the Directors, May 14, 1846, for a second instalment on the stock, they made a statement to the stockholders in which they said, referring to the delay caused by waiting for the Commissioners to complete their work:

Although the Directors have not been able to prosecute the work of construction as rapidly as was desired, the time has been very advantageously employed in adjusting the unsettled business of the company, arising out of the embarrassments of former years. All liens upon the property of the company have been discharged, and all liabilities in the form of 6 and 7 per cent. certificates, unsettled claims, etc., which were stated by the Directors in their address to the public in September last, to be about \$600,000, are now less than \$475,000. The old stock of the company, which at that time amounted to more than \$1,500,000, has all been surrendered in compliance with the provision of the Act of May 14, 1845, except 247 shares returned to the Comptroller, leaving the present amount, made up from all sources, less than \$840,000, which, with the new subscription bearing interest, comprises the whole stock account. The first and second instalments have been paid on an amount considerably exceeding \$3,000,000. A large number of stockholders have voluntarily paid from 15 to 50 per cent., and others have paid in full.

The road from Piermont to Middletown, which, in consequence of the embarrassments of the company, was brought into use in an unfinished state, with miles of high trestle and pile work, which, for safety, required to be filled up with embankments, has been put in good condition. A difficult and expensive portion of the road from Middletown to Shawangunk Mountain will be completed and ready for use early in the autumn.

The revenue of the road in operation is steadily increasing, and every successive portion added to its length will increase in much greater proportion the income. A fuller

acquaintance with its business, and the resources of the country through which it passes and is intended to pass, confirms the Directors in the belief that the estimate heretofore made of the profits and the advantages of the work fall short of what will be realized when the whole line is completed.

It was deemed so certain, however, that the route of the railroad would be changed from the hills of Sullivan County to the Delaware Valley, that contracts were let for the building of the road between Port Jervis and Binghamton in October, 1846, the work between Middletown and Port Jervis being then under way. There were twenty-two contractors, and each contractor accepted one-third of the amount of his contract in stock of the Company. The report of the Commission on changing the route of the road, made to the Legislature in 1847, aroused the people along the old route to great opposition, and a bitter fight was made against the adoption of the report. The probability that the Commissioners would adopt a route that would necessitate the taking of the railroad out of the State into Pennsylvania had alarmed certain commercial interests in that State, and the Pennsylvania Legislature, as early as 1845, was petitioned to refuse entrance or right of way to the railroad. Philadelphia opposed the granting of such permission, on the ground that the railroad would divert the trade of the upper Delaware Valley to New York, and Philadelphia would lose it, although the only trade the valley had at that time was trade in lumber, which could not very well go elsewhere than to or toward Philadelphia, for the reason that it was carried in the shape of rafts on the Delaware River during times of freshet, and the Delaware River ran direct to Philadelphia. But strong petitions went to the Pennsylvania Legislature from the northern part of the State asking for the permission to be granted, and during the session of 1846 an act was passed granting the New York and Erie Railroad right of way into and through Pike County, right of way through Susquehanna County having been granted in 1841. The act of 1846 was passed on condition that the Delaware River should be crossed by the railroad at a certain point near Port Jervis; that it should not interfere with or obstruct operations on the Delaware and Hudson Canal; that it should permit connection

with any railroad chartered or to be chartered in Pike County; and that the Company should pay into the treasury of Pennsylvania forever an annual bonus of \$10,000. The act was not to take effect until the New York Legislature should authorize the Company, and the Company consent, to a connection with the Blossburg and Corning Railroad at or near Corning, N. Y., and with the Elmira and Williamsport Railroad at or near the village of Elmira. Another provision of the act was that the Company should so regulate its tolls that the charge on anthracite and bituminous coal transportation should not exceed one and one-half cents per mile.

Thus did Pennsylvania look well to the interests of her own citizens and corporations, in granting this right of way through a rocky and barren corner of her domain.

The people of the Pennsylvania counties immediately interested were many of them opposed to the insertion of the \$10,000 perpetual bonus clause in the bill, because it seemed to them to be an ungenerous requirement on the part of the State, and the imposing of an unnecessary hardship on the Company, straitened as it was financially. In after years, when the people woke to the fact that the annual bonus was a provision urged by the Company itself, to get in return exemption from heavy taxation on the road and property of the Company in Pennsylvania, they found that instead of the Company having been treated ungenerously, it had made a very shrewd and most profitable bargain.

After a long and bitter fight in the New York Legislature over the proposed change of the railroad's route, the Commission's report was adopted, and after another contest over agreeing to the provisions of the Pennsylvania legislation, authority was at last given the Company to seek the Delaware Valley by crossing the river into Pennsylvania at a point situated near Port Jervis, opposite the village of Matamoras, in Pike County.

The railroad was officially opened to Port Jervis January 7, 1848. (Page —, "The Building of It.") The engineers of the Company found that they were confronted by a greater obstacle than they had calculated on in the construction of the railroad up the Delaware Valley, beyond that place, on the Penn-

sylvania side. Rising perpendicularly from the west bank of the Delaware River, a mile north of Port Jervis, was a wall of solid rock, in places nearly one hundred feet high. This precipice was known as the Glass Factory Rocks. It followed the river three miles, and in its face a roadway would have to be hewn before the rails could be put down that distance. This was a task sufficient even to dishearten men hampered by no conditions as to time, and with an unlimited treasury to draw upon; and the men then in control of the affairs of the Company saw that unless they could obtain a further concession from Pennsylvania, they must fail in their attempt to finish the railroad in time to save the franchises from forfeiture. To do this it was necessary that the work should be completed as far as Binghamton by December 31, 1848.

Even if the engineers had not been limited as to time, the cost of cutting a roadbed in the face of that forbidding precipice would have called a halt in the work at once. They estimated that the three miles of roadbed in the wall could not be made ready for the rails for a less sum than \$300,000, so that with the time condition removed, the financial resources of the Company would have been utterly inadequate to the undertaking. Four miles above Port Jervis, at what is known as Sawmill Rift, a famous rapid in the Delaware River, the road might be carried across the stream into Pennsylvania, and the obstacle of Glass Factory Rocks avoided. To change the place of entry, further consent and authority of the Pennsylvania Legislature must be obtained. This, it would seem, should have been but a simple thing to accomplish, but the Company discovered that there were other things to obstruct its work besides rocky barriers and a scanty treasury.

Milford, the county seat of Pike County, Pa., lay in charming seclusion eight miles south of Port Jervis, in the Delaware Valley. When the route of the New York and Erie Railroad was changed to enter that county, certain enterprising citizens of Milford bethought them that they were tired of the seclusion of their village, charming as it was, and that such seclusion should be broken. A connection with the New York and Erie Railroad at Matamoras

would bring Milford in touch with the great outside world, and increase its importance and prosperity accordingly, so these good people argued. To this effect, they had the Milford and Matamoras Railroad Company chartered, and preliminary preparations were going forward for construction of a railroad from Milford to Matamoras when the application was made to the Pennsylvania Legislature by the New York and Erie Railroad Company for permission to change its point of entry into that State from Matamoras to Sawmill Rift. The news of this came as a shock to the Milford and Matamoras Railroad Company. If the New York and Erie Railroad did not enter the State at Matamoras, the Milford and Matamoras Railroad would have no connection with the trunk line, and Milford would still remain in seclusion. The possibility of the change being made, therefore, must be prevented in the interests of Milford, and the influence of that local railroad company was sufficient to defeat the efforts of the great New York and Erie Railroad Company to obtain from the Pennsylvania Legislature permission to change its route, although the life of that Company and of its railroad depended on such legislation. This was during the session of 1848, but before the Legislature adjourned, the New York and Erie Railroad Company, by agreeing to a compromise with the little Pike County railroad company, was granted the privilege it asked. The Milford and Matamoras Railroad required a connection with the Erie. By the change in route that connection could not be obtained except by crossing the Delaware River at Matamoras and tapping the Erie at Port Jervis. That would compel the construction of a costly bridge across the river, and the laying of an additional mile or more of track on the New York State side and across the bridge. These things the Milford and Matamoras Railroad Company could not afford to do, but it had the New York and Erie Railroad Company in such a position that the demand could be made of that Company to do that necessary work, as a condition of the withdrawal of opposition to the change in the Erie route. The demand was made, and the New York and Erie Railroad Company agreed to construct a double bridge across the Delaware at Matamoras, arranged for both the passage

of wagons and for a railroad track, to maintain the bridge forever, and to lay a track from the station at Port Jervis to and across the bridge to Matamoras, whenever the Milford and Matamoras Railroad Company might demand it for connection with the railroad from Milford. The condition was a severe one, but the right of way it assured to the New York and Erie Railroad was of inestimable value to that Company. Without it the railroad could not have been completed in time to save the charter.

But even with change in the point of entrance for its railroad into Pennsylvania, the Company would have failed in its obligation to New York State had it not been for a circumstance which the late William E. Dodge declared was an intervention of Providence. The English rails the Company had used as far as Otisville were expensive, and their delivery to the Company was subject to delay and uncertainty. This endangered the rapid progress of the work. In 1841, George W. Scranton of Oxford, N. J., attracted by the presence of coal and iron in the Lackawanna Valley in Luzerne County, Pa., purchased a tract of land at Slocum Hollow, and established there iron works on a small scale. The surroundings were then the wilderness. The large and growing city of Scranton now occupies the site, and the Lackawanna Iron and Coal Company's great works and possessions are the result of that pioneer iron furnace. Subsequently, Selden T. Scranton, George W.'s brother, joined him in the enterprise. The Scrantons, owing to the isolation of their works and the difficulties encountered in getting to and from a market, had a severe struggle for existence during the first years of their business career in the Lackawanna Valley, and in 1846 they were in straits that threatened them with ruin. William E. Dodge was then a Director in the New York and Erie Railroad Company, and greatly interested in its success. He knew the Scrantons. The Scrantons knew the quandary the Railroad Company was in as to the matter of rails. They believed that if they could obtain the necessary machinery they could manufacture T rails at their Slocum Hollow works, and deliver them at various points along the line of the New York and Erie Railroad, so that the rails could be lain as

rapidly as the roadbed was prepared for them, thus advancing the work weeks, if not months. The cost of the rails, moreover, would not be much more than half the cost of the English rails. The Scrantons placed the matter before the Company, and asked for a loan of \$100,000, in return for a mortgage on the iron works, and for a contract for rails. The Company was not in shape to make the loan, but Mr. Dodge visited Slocum Hollow, with the result that the Company made a contract with the Scrantons for 12,000 tons of rails, at \$46 a ton. The money to equip the iron works with the necessary machinery for rolling the rails was advanced to the Scrantons by Mr. Dodge and others, and the rails were ready for delivery in the spring of 1847. The first of these rails were used from Otisville down the Shawangunk Mountains toward Port Jervis, the iron being transported by teams through the then almost unbroken wilderness between the iron works and the Delaware and Hudson Canal Company's railroad at Archbald, Pa., whence it was taken to Carbondale, thence by the gravity railroad to the canal at Honesdale, Pa., and thence on canal boats to Cuddebackville, N. Y., whence teams hauled it over the Shawangunk Mountains to the railroad. For the laying of track west of Lackawaxen, the rails were transported by teams, as the following advertisement will show:

#### NOTICE TO TEAMSTERS.

The subscribers have several hundred tons of railroad iron to deliver the present winter on the line of the New York and Erie Railroad at Lanesboro, Stockport, Equinunk, Cochection, and Big Eddy (Narrowsburg). A part of the iron will be taken from Honesdale and the balance from this place. Mr. J. A. Patmor, at Honesdale, is authorized to contract for what iron goes from Honesdale. Good prices in cash will be paid for the work.

SCRANTONS & PRATT.

August 24, 1847.

(C. J. C. Pratt had become a member of the firm since the contract was made.)

For months scores of four-horse and mule teams were kept busy carrying the iron to the railroad as the work advanced westward, some of it being hauled more than sixty miles. The contract was fulfilled, and the railroad was extended to Binghamton in time. And on that contract the fortunes of the Scranton family were builded. The prestige and

profit of it led to the formation of what is now the gigantic Lackawanna Iron and Coal Company of Scranton, with millions at its beck and call, and which has taken millions of other capital for investment into that part of the Lackawanna Valley, for the building of railroads and the establishment of other industries, until the proud city of Scranton has risen from the insignificant and struggling Slocum Hollow iron works that the Erie saved, and that in turn did so much toward saving Erie.

The story of the struggle with the work of building the railroad through the Delaware Valley and to Binghamton, crowded with lively incident, is the story of an epoch in the progress of Erie, and is told in detail elsewhere in this history.

#### II. THROUGH DARKNESS TO LIGHT.

The railroad reached Binghamton December 27, 1848. (Page 352, "The Building of It.") The charter of the Company was then sixteen years old. According to its provisions there were but three years more left in which to complete the railroad, that it and the Company's franchises might not revert to the State. Since the railroad was opened to Middletown, in 1843, less than 150 miles had been added to the line. With the opening of the road to Binghamton not yet half of it was completed between the Hudson River and Lake Erie. The railroad had cost thus far \$8,000,000, and the Company's treasury was again empty. That such was the fact is nothing to be wondered at. That it stood the drain successfully until the railroad was finished from Port Jervis to Binghamton is to the lasting credit and honor of the men who had the management of the Company's affairs. They had accomplished the most stupendous undertaking in engineering and construction that up to that time had ever been attempted in this or any other country. They had carved and hewn a place for a railroad in miles of the solidest of rock; bridged many wide and rapid rivers, yawning chasms, and deep defiles; surmounted obstructing and frowning hills, and, in spite of them all, carried the greeting of the Hudson to the Susquehanna within

the appointed time. That the treasury was empty of its \$3,000,000 after such an achievement was not strange. But empty it was, and there seemed no visible prospect of its replenishment. There was no promise that the railroad could get any farther on its way toward Lake Erie. It was as if the limit of all effort had been reached; as if the end had really come at last.

Alexander S. Diven, then of Elmira, had been for years in close touch with matters pertaining to the concerns of the Company. In this emergency his genius came to the solution of the vexing and serious problem that confronted the undertaking. He formed a company, which might in these days be called a construction syndicate, consisting of John Arnot of Elmira, John Magee and Constant Cook of Bath, N. Y., Charles Cook of Havana, N. Y., and himself. He afterward disposed of his interest in the company to John H. Cheddell of Auburn, N. Y. James S. T. Stranahan subsequently became interested in it.

The original contract with these men was for the grading of the road and furnishing of all the material, except the iron rails, and laying of the track from Binghamton to Corning—seventy-seven miles—the contractors agreeing to take their pay in an issue of paper of the Railroad Company known as "income certificates," payable solely from the net income of the railroad east of Corning; the principal to be paid in six, seven, eight, nine and ten years; the road to be completed to Owego—twenty-two miles—by June 1, 1849; to Elmira—fifty-eight miles—by October 1, 1849; and to Corning by December 31, 1849. Subsequently, with a view to a further and more rapid extension of the railroad west of Corning than was contemplated at the time the contract was made, an arrangement was perfected by which the contractors agreed to a modification of the terms, by which modification all the income certificates that had been issued to them on account of the contract were retired, and the entire series of such certificates cancelled. In place of those certificates the Railroad Company proposed a second issue of mortgage bonds, to the amount of \$4,000,000, to run ten years at 7 per cent. interest per annum, and convertible

into stock of the Company at any time before maturity, the issue to be secured by a mortgage upon the entire property of the Company between Piermont and Lake Erie, and subject only to the lien created by the State mortgage bonds of \$3,000,000. Out of this issue of bonds the contractors were to receive their pay for building the road from Binghamton to Corning.

By this financing the Company's purpose was to not only obtain the money to pay the contractors, but to fund the floating debt, which was then \$833,833, and extend the railroad westward to Hornellsville, to connect with the railroad then building between that place and Buffalo, "by making as early connection as may be with which important branch road," the Company's address to the public on this subject said, "the very great advantages of a continuous line to the lake are secured, and before the main line can be extended to Dunkirk." It was estimated by the Company's engineer that the work between Binghamton and Hornellsville would cost \$2,500,000, and the Directors figured that with the proceeds of the bonds the work could be done and the rolling stock necessary to the increased mileage be amply provided. The total liabilities of the Company at this time were \$9,802,433.

The arrangement with the construction company rescued the railroad from inevitable suspension of further construction, awakened a new interest in it, and insured its completion to the lake without further interruption. But it tightened the grasp of bonded debt on the Company. And it made the fortunes of the men who took the bonds as the price of their contract for carrying the railroad less than eighty miles beyond Binghamton, the road having been opened to Owego, Elmira and Corning on the dates provided in the contract.

There had been an improvement in business affairs throughout the country in the meantime, and confidence in the prospects of Erie became stronger. When the railroad was finished to Corning the Directors invited contracts for the remainder of the road to Dunkirk, 169 miles, which the engineers estimated could be built for \$3,750,000. To raise a fund to complete this work and meet other requirements for proper operations on the railroad, the Directors

made another increase in the bonded debt of the Company by issuing \$3,500,000 of income bonds, to bear interest at 7 per cent., and redeemable at the pleasure of the Company within five years. To secure the payment of this loan the management pledged the whole income of the railroad after July 1, 1851, until the net amount reached \$1,200,000, "reserving only a sum sufficient to pay the interest on the mortgage bonds." This the Directors prophesied that they could do, and distribute an ample dividend among the stockholders besides, within the first year after opening the railroad to Lake Erie. These bonds were placed at a heavy discount, and the contracts were let for the final work on the railroad.

In February, 1851, operations had progressed so well that the railroad was as far as Cuba, Allegany County, N. Y., within seventy-seven miles of Dunkirk, having reached Hornellsville September 1, 1850. The Directors made a statement to the stockholders then in which they did some more calculating on the future of the railroad. In the year 1851, they figured, it would earn about 8 per cent. on its existing capital of \$6,000,000; in 1852, 14½ per cent., and in 1853, 17 per cent. There were then outstanding and to be cared for when interest day came the \$3,000,000 of mortgage bonds issued in 1845, the second mortgage of \$4,000,000 issued in 1849, the issue of \$3,500,000 of income bonds of 1850, certificates of old indebtedness as a result of the resuscitation of the road in 1845, and a floating debt of \$2,988,045, or a total indebtedness of \$13,988,045; yet the Directors came cheerfully to the front in February, 1851, as a result of the roseate future they saw for the railroad, and announced that they needed \$3,500,000 more, and that to raise it they intended to issue twenty-year 7 per cent. convertible bonds to that amount and place them on the market. They did this, submitting to the "shave" demanded by Wall Street, and the fourth mortgage was piled on top of the now rapidly accumulating mountain of Erie debt. This money was required, the Directors said, to fund the floating debt, and to provide necessary machinery and rolling stock.

By April, 1851, the railroad was in such shape that on the 22d of that month the Directors of the Company made a tour of inspection over it to Dunkirk, and about that time many more or less prominent people throughout the country received the official announcement that the New York and Erie Railroad would be opened to Lake Erie on Wednesday, May 14th, and an invitation to accompany the Directors on an excursion to Dunkirk on the occasion and participate in the celebration of the great event. At the same time the Directors gave notice to the stockholders as follows in the public prints:

"It would have afforded the President and Directors great pleasure if they could have extended their invitation to the stockholders and other friends of the road, but the disappointment in receiving their passenger cars, and the limited accommodations at Dunkirk, rendered it impossible to do so. At an early day arrangements will be made to furnish excursion tickets to stockholders, giving them an opportunity to examine the road at their leisure, and at a reduced price."

Even as long ago as 1851, stockholders in railroad companies might have begun to see that they had invested their money largely for the pleasure of seeing the managers of their property enjoy themselves at their expense.

Office of the New York and Erie Rail Road Co.,  
May 1st, 1851.

SIR:

The Board of Directors of the New-York and Erie Rail Road Company contemplate opening their road to Lake Erie, on the 14th inst. They respectfully invite you to be present on that occasion to accompany them in a tour over the Road, to examine this great work. Leaving this city, from the Pier foot of Duane Street, at six o'clock, on the morning of Wednesday, the 14th, and returning on the morning of the 17th.

As the number of guests invited is necessarily limited, the favor of a reply to this invitation is solicited.

You are particularly requested to preserve the enclosed ticket, and show it on going on board the boat, at Duane Street Pier.

CHAS. M. LEUPP,  
SHEPHERD KNAPP,  
JOHN J. PHELPS,  
HOMER RAMSDELL,  
THOMAS W. GALE,

Committee of Arrangements.

FAC-SIMILE OF THE OFFICIAL INVITATION. ORIGINAL FROM THE  
PHILIP CHURCH COLLECTION.

## III. TRIUMPH.

At last, after almost a score of years of desperate struggling with adverse circumstances, the last spike had been driven, and the New York and Erie Railroad was completed from the Hudson River to Lake Erie. The personnel of the management in authority when the great work was finished was as follows: President, Benjamin Loder; Vice-President, Samuel Marsh; Secretary, Nathaniel Marsh; Treasurer, Thomas J. Townsend. Directors: William E. Dodge, Shepherd Knapp, Marshall O. Roberts, John J. Phelps, Homer Ramsdell, W. B. Skidmore, Daniel Miller, Charles M. Leupp, Henry Suydam, jr., Cornelius Smith, Thomas W. Gale, Norman White, Theodore Dekon. General Superintendent, Charles Minot; Chief Engineer, Horatio Allen. These were all residents of New York City except Homer Ramsdell, who was from Newburgh.

The completion of the railroad was at that time the most important event in the history of railroad building. This may be better appreciated at this day when it is known that but one other really great railroad had been completed either in this country or abroad, and that, singularly enough, was in Russia—the line between St. Petersburg and Moscow. The present stupendous Pennsylvania Railroad was then but a local line owned by the State of Pennsylvania, extending from Philadelphia to Hollidaysburg, at the eastern base of the Alleghany Mountains. New York was then connected with Albany, Buffalo and Rochester merely by a chain of ramshackle local roads of different gauges, subsequently combined and fashioned into one uniform system, which is that of the New York Central and Hudson River Railroad Company of to-day. The Baltimore and Ohio, although the pioneer great railroad line in America, had as yet no important western connection, and was conspicuous only as the protector of Baltimore's trade against the attraction of southern markets, which were convenient by Mississippi River navigation. Hence the completion of the New York and Erie Railroad marked the first epoch in rail transportation of really national importance. It made possible the uniting of western commercial centers with New York City by quick

communication that had long been the dream of far-seeing minds, an event that speedily followed in the completion of the Michigan Southern Railroad and the lines that naturally and necessarily grew out of its construction. It was the uniting of the Ocean and the Lakes and the beginning of the present great era of railroad supremacy in the financial and commercial world. Consequently, it was justly considered to be worthy of national attention, and the management of the Company arranged for giving the very first long-distance railroad excursion party ever known in this country, and made of it one which has never been equalled in number of illustrious and distinguished guests.

Invitations were sent to President Millard Fillmore and his cabinet, and to numerous of the most eminent statesmen and men of affairs. President Fillmore accepted the invitation, as did Daniel Webster, Secretary of State; John J. Crittenden, Attorney-General; W. C. Graham, Secretary of the Navy, and W. K. Hall, Postmaster-General. The names of other notable men who accepted and were present will appear in the course of this chronicle.

When it was announced that the President and four of the most distinguished of his official family were to participate in the celebration of the opening of the New York and Erie Railroad, the municipal authorities of New York City joined with the officers of the Company to make their stay in and start from New York a public affair, to be celebrated with appropriate honors and festivities. The Presidential party were to be guests of the city, and a committee of two—Alderman Robert J. Haws and Assistant Alderman John B. Webb—were sent to Washington to notify the President and to act as an escort of the party from Washington to New York, on behalf of the city government. The authorities also arranged the following

## PROGRAMME OF ARRANGEMENTS

On the occasion of the arrival in this city of the President of the United States and the members of the Cabinet, en route to participate in the Celebration of the Opening of the New York and Erie Railroad.

*Hospitalities of the City to the President and Cabinet.*

The Special Committee appointed by the Common Council of the City of New York to make the necessary arrangements

for the reception of the President of the United States and Members of the Cabinet of the General Government, have adopted the following programme of Arrangements for the occasion, Tuesday, the 13th inst.:

The President is expected to arrive at Castle Garden between the hours of one and two o'clock P. M., where he will be received and welcomed to the hospitalities of the city, by his Honor the Mayor, after which the President will review troops on the Battery. National salute to be fired on his arrival, under the direction of Brigadier-General Morris.

#### ROUTE OF PROCESSION.

From the Battery up Broadway to Broome Street, through Broome Street to the Bowery, down the Bowery to Chatham Street, through Chatham Street to the East Gate of the Park, through the Park in front of the City Hall, where the President and suite will receive a marching salute from the military under command of Major-General Charles W. Sanford. After the review on the Battery, the march will commence from the right of the division under command of Major-General Sanford, as follows:

A squadron of Horse forming the mounted escort. The President of the United States and Suite. General Sanford and the Staff of the First Division.

The First Brigade, commanded by Brigadier-General Spicer, consisting of the First Regiment, Col. Ryer; Second Regiment, Col. Bogart; Third Regiment, Col. Postley.

The Second Brigade, commanded by Brigadier-General George P. Morris, consisting of Fourth Regiment, Col. Yates; Fifth Regiment, Col. Warner; Sixth Regiment, Col. Peers.

The Third Brigade, commanded by Brigadier-General Hall, consisting of Seventh Regiment, Col. Duryea; Eighth Regiment, Col. Devoe; Ninth Regiment, Col. Ferris.

The Fourth Brigade, commanded by Brigadier-General Ewen, consisting of Tenth Regiment, Col. Halsey; Eleventh Regiment, Col. Morris; Twelfth Regiment, Col. Stebbins.

Senators and Representatives of the United States. Senators and Assemblymen of State of New York. Special Committee of Common Council. Army and Navy Officers of the United States. Governor and Lieutenant-Governor of New York State. Foreign Consuls and Ex-Mayors. Collector, Postmaster, Surveyor, and United States Marshal. United States District Attorney, United States Judges. Sub-Treasurer and Naval Officer. Members of Common Council in Carriages. Register, Sheriff, County Clerk, and Surrogate. Governor of Alms House, Commissioner of Emigration. Resident Physician and City Inspector. President and Directors of Erie Railroad Company. Heads of Departments of the City Government. Recorder and City Judge. General Committees of the Whig and Democratic parties. Citizens in Carriages and on Horseback.

The owners and masters of shipping in port and proprietors of public buildings in the city are requested to display their flags from the same from sunrise to sunset during the day.

The owners and proprietors of all public and licensed carriages and vehicles are directed to withdraw them from the streets through which the procession is to pass, after the hour of eleven o'clock A. M. until the close thereof.

The Chief of Police is charged with the enforcement of the above order.

The owners and proprietors of all public carriages and

vehicles are also respectfully requested to conform to the wishes of the Committee in this respect.

No obstructions of any kind will be permitted in the streets through which the procession is to pass.

A. C. KINGSLAND, Mayor.

**SPECIAL COMMITTEE.**—*Aldermen.*—Oscar W. Sturtevant, Robert T. Haws, Jonas F. Conklin, Daniel Dodge, James M. Bard. *Morgan Morgans, President. Assistant Aldermen.*—Daniel F. Tieman, Nathan C. Ely, John B. Webb, S. L. H. Ward, Robert A. Sands. *A. A. Alvord, Secretary.*

**CHAMBER OF COMMERCE COMMITTEE OF COÖPERATION.**—Moses H. Grinnell, President of the Chamber; Elias Hicks, First Vice-President; James De Peyster Ogden, Edwin Bowen Graves, Walter R. Jones, Charles H. Marshall, Matthew Maury.

President Fillmore and members of his family, Daniel Webster and his son Fletcher, and the others of the Presidential party, left Washington at 6 o'clock on the morning of May 12th. They arrived at Baltimore for breakfast, which was eaten at Barnum's Hotel. Leaving Baltimore at 9 o'clock, they arrived at Philadelphia at 12, where they were guests of that city until the morning of the 13th. Accompanied by Benjamin Mathias, Speaker of the Pennsylvania Senate, John Price Wetherhill, Dr. J. T. Wickersham, and a committee from the Philadelphia City Council, the President and his illustrious fellow-tourists left Philadelphia that morning for New York, via the Camden and Amboy Railroad.

Great preparations had been made for receiving the party at New York and Amboy. The steamboat "Erie," gayly decorated with evergreens, flowers, flags, and banners, departed from the foot of Duane Street at 10 o'clock on the morning of the 13th to meet and welcome the President and the other guests at Amboy. The boat was in charge of Captain Maybee. Aboard the "Erie" were President Loder, his fellow-officers, and the Board of Directors of the Erie Railroad Company, and representatives of the city and county government as follows: Recorder Talmadge, Sheriff Carnley, County Clerk G. W. Riblet, and District Attorney N. B. Blunt. There was also a number of invited guests, and a squad of police in charge of Captain Carpenter of the Fifth Ward. The boat arrived at Amboy dock at 12 o'clock, and one minute later the train bearing the President and his party came in. The distinguished guests were escorted aboard the boat.

Alderman Haws introduced the President and the Members of the Cabinet to Secretary Marsh, who introduced them to President Loder and the Directors. Charles M. Leupp, Chairman of the Committee of Arrangements for the Company, addressed President Fillmore as follows:

Mr. President, it gives me great pleasure, in behalf of the Board of Directors of the New York and Erie Railroad Company, to welcome you, and the distinguished statesmen by whom you are accompanied, on board the steamer, and to congratulate you and them on your safe arrival. The Directors are deeply sensible of the high honor you have conferred by your acceptance of their invitation to accompany them in a tour over the road. It will afford them the highest satisfaction to conduct you on this new highway, which connects by an indissoluble link the great Lakes with the ocean. And were they wanting in proper appreciation of the magnitude and importance of the task in which they have been engaged, they would be reminded of it when the head of the Republic and its chief officers of State honor them by making it a special object of examination. They rejoice in the hope that the New York and Erie Railroad, built not for a day, but for all time, will realize the blessings expected from it, and that while it serves to develop the resources of the country through which it passes, it will contribute to bind still more closely together the distant portions of our glorious Union. I again, dear sir, bid you a cordial welcome.

To which President Fillmore responded:

I beg to return you, dear sir, and the Committee of Arrangements, my thanks, and through you, the Directors of the Erie Railroad Company, for the very cordial welcome you have given me and my associates. I assure you that we fully appreciate the great enterprise you have now so happily completed. I know full well the difficulties under which you have labored in the accomplishment of this important work, and it is due to you, as the representatives of the Board of Directors, that the chief officer of the nation should recognize it. It is the most costly and greatest work of its kind on this continent, and in the world, with one exception. You say that it connects the great lakes with the ocean? Yes, sir; and it connects the several States of this great Union. I need not say that I feel proud of an achievement in my native State which adds dignity and glory and strength to the whole country. (Loud cheers.)

The steamboat "Erie" made its return trip on the outside route. A banquet was spread in the cabin by Steward Simmons, at which Mr. Loder, as chief officer of the Railroad Company, presided. On the way up the Bay the boat was saluted by the guns of Fort Hamilton and Diamond (subsequently Fort Lafayette), and of Governor's and Bedloe's Islands. The shipping in the harbor was one great glory of bunting. At the Battery 50,000 people awaited the arrival of the President and his famed

associates, and 9,000 State militia, under Major-General Charles Sanford, were drawn up in line to receive them with military honors. The boat arrived at the Battery at 2 P. M. A salute was fired by veterans of the Revolutionary War, from a field piece of the days of '76. The air was rent with the shouts of the populace as the party landed. The distinguished visitors were escorted to Castle Garden, where they were welcomed to the city by Mayor A. C. Kingsland. After speeches by President Fillmore, Daniel Webster, John J. Crittenden, and General Sanford, the President and party, with the exception of Webster, were escorted by a formal parade to the Irving House, which was then a famous hostelry at Broadway and Twelfth Street, where quarters had been engaged for them. Webster went to the Astor House, his habitual stopping place when in New York, and occupied a suite of rooms provided by the New York and Erie Railroad Company—Rooms 39, 41, and 43. During the day and evening the distinguished visitors were the guests of the city, and most elaborate preparations had been made to entertain them. There were many festivities during the day and night, and the city was in holiday array.

The hour fixed for departure from New York to Piermont, as will be seen from the time-table, was six o'clock on Wednesday morning, May 14th. A heavy rain had begun falling during the night, and it was raining when President Fillmore and his suite took carriages at the Irving House to be driven to the foot of Duane Street. The President was accompanied by Alderman Haws and Assistant Alderman Tieman. Attorney-General Crittenden was taken in charge by Alderman Franklin. Postmaster-General Hall and Secretary of the Navy Graham were escorted by Assistant Alderman Ely. In spite of the rain and the early hour, the streets were crowded with people. By the time the President and his party arrived at the dock and were formally delivered to the care of the Company the rain had ceased. Daniel Webster rode to the dock with his son. The "Erie" was held at the dock until ten minutes past six, owing to delay in the arrival of Mr. Webster's baggage. When that arrived, the representatives of the city surrendered their guests to the custody of

## NEW YORK AND ERIE RAIL-ROAD.

Superintendent's Office, New-York, May 10th, 1851.

Excursion Trains, May 14th, 15th, 16th and 17th, 1851.

## OPENING TO LAKE ERIE.

On the 14th of May inst. the Steamboat ERIE will leave the New York and Erie Rail-Road Pier, foot of Duane Street, at 6 A.M. for Piermont, whence two Trains of Cars will start for Dunkirk, and run by the Time Table on the back hereof.

These Trains shall have the road against all other Trains, Passenger, Freight, Gravel &c., and all other occupants of the Track, from their times at any Station, till their passage; and no other Train must leave any Station or Turnout, unless it shall have ample time to arrive at the next Station or Turnout, at least five minutes prior to the time in this Table for these Trains to leave there.

If the forward extra Train shall be detained, so as to have to stop on the road at the time for the rear extra Train to come up, the Conductor of the former must immediately send a man back to warn the approaching Train; and a Flag-man must be kept at the rear end of the rear Car, for this purpose.

The Trains will stop at Stations the number of minutes indicated by the following marks viz: \*, 5 minutes; †, 10 minutes; ‡, 15 minutes; §, 25 minutes; for dinner.

CHAS. MINOT, SUPERINTENDENT.

## OFFICIAL NOTIFICATION OF THE OPENING OF THE RAILROAD TO DUNKIRK.

## NEW YORK AND ERIE RAIL-ROAD--TIME TABLE.

## EXCURSION TRAIN.

May 14th, 15th, 16th and 17th, 1851.

May 17.	STATIONS.	Dist. from New York	May 14.	May 17.	STATIONS.	Dist. from New York	May 14.	May 16.	STATIONS.	Dist. from New York	May 15.
Train.			1st Train.	2d Train.	Train.		1st Train.	2d Train.	1st Train.		1st Train.
5.00 PM	Ar. New-York. Dep.	--	8.00 AM	8.09 AM	1.42 PM	Dep. Shohola. Dep.	117	11.51 AM	12.40 PM	6.34 PM	5.57 PM
5.23 PM	Ar. Pier. Dep.	24	8.00 AM	8.03 AM	1.32	Lackawanna, Dep.	121	12.01 PM	12.50	6.28	5.52
5.20	Dep. Piermont.	25	8.04	8.06	1.18	Nast Hope,	125	12.14	1.05	6.18	5.42
5.12	Blauveltville,	29	8.11	8.17	1.05	Narrowsburg,	132	12.24	1.25	6.05	5.30
5.03	Clarkstown,	31	8.21	8.30	12.35	Nobody's Tl.,	137	1.03	1.35	5.53	5.22
5.03	Spring Valley,	35	8.27	8.37	12.23	Cochecton,	141	1.12	1.45	5.33	5.08
5.50	Monsey,	37	8.25	8.45	12.15 PM	Callicoon,	140	1.23	1.57	5.30	5.01
4.50	15 mile Turnout	39	8.40	8.52	12.00 M	Fremont,	153	1.29	2.14	5.18	4.49
4.43	Suffern,	42	8.47	9.00	11.36 AM	Equinook,	163	2.02	2.40	5.08	4.27
4.39	Ramapo,	44	8.50	9.04	11.23	Stockport,	169	2.15	2.54	4.52	4.22
4.36	Shattburg,	45	8.52	9.08	11.13	Hancock,	174	2.25	3.05	4.35	3.56
4.31	Shults' Turnout	46	8.58	9.15	10.58	Hale's Eddy,	182	2.41	3.21	4.24	3.46
4.23	Monroe Works,	52	9.06	9.24	10.48	Deposit,	187	2.56	3.37	4.05	3.25
4.18	Wilkes,	54	9.12	9.31	10.24	Summit,	194	3.15	3.57	3.45	3.00
4.12	Turner's,	57	9.19	9.39	10.03	Susquehanna,	202	3.43	4.23	3.20	2.52
4.05	Monroe,	59	9.24	9.45	9.42	Great Bend,	210	4.00	4.42	3.31	2.42
4.00	Oxford,	62	9.31	9.52	9.32	Kirkwood,	216	4.10	4.54	3.25	2.35
3.55	East Junction,	63	9.34	9.56	9.25	Windser Road,	229	4.17	5.02	3.18	2.25
3.54	West Junction,	64	9.35	9.57	9.17	Binghantown,	235	4.28	5.12	2.58	2.05
3.51	Chester,	65	9.37	10.00	8.57	Union,	243	4.43	5.27	2.42	1.49
3.39	Freshen,	70	9.47	10.12	8.47	Campville,	240	4.53	5.38	2.23	1.24
3.32	New Hampton,	74	9.56	10.22	8.37	Owego,	247	5.40	5.55	2.08	1.11
3.28	Middletown,	77	10.11	10.31	8.22	Tioga,	252	5.19	6.07	1.35	12.38
3.24	Howell's,	81	10.20	10.41	8.13	Smithboro',	256	5.28	6.15	1.22	12.12 PM
3.00	Ottisville,	85	10.31	10.52	8.10	Barton,	259	5.39	6.22	12.52	11.53 AM
2.45	Shin Hollow,	92	10.45	11.08	7.53	Waverly,	265	5.41	6.36	12.24	11.25
2.40	Delaware,	96	11.04	11.40	7.40	Chemung,	270	5.49	6.43	11.53 AM	10.51
2.32	Rosa Turnout,	108	11.27	12.16 PM	7.30 AM	Wellburg,	275	5.58	7.00	11.30 AM	10.30 AM
1.52 PM	Dep. Middaugh's,	112	11.37	12.27	7.30 AM	Dep. Elmira, Ar.	286	6.09	7.11		

TIME-TABLE PRINTED ON THE BACK OF THE OFFICIAL NOTIFICATION. (THE FIRST THROUGH ERIE TIME-TABLE.)

(The blurs and imperfections on these fac-simile reproductions of this historic document are due to the fact that the original, which has been in the possession of the Curtis family, of Callicoon, N. Y., ever since it was used by the late Judge Curtis, of that place, who was a guest on the occasion, was thus marred from frequent inspection of it by curiosity seekers during the past forty-eight years. The original was kindly loaned the author by C. T. Curtis, Esq., of Callicoon.)

the Company's representatives, and to the strains of the famous Dodworth's band the "Eric" steamed up the Hudson, bearing its load of distinguished passengers, the first persons to leave New York City for a continuous journey by rail from tide-water to the lakes. The steamer moved away, followed by the tumultuous cheers of a witnessing multitude. Chief among the excursionists, besides the President and his suite and the railroad officials and Directors, were ex-Governor and United States Senator Hamilton Fish; ex-Governor Marcy, Commodore M. C. Perry, Joseph Hoxie, Christopher Morgan, Secretary of State of New York; State Engineer Silas Seymour; Philip Church, Charles O'Connor, Anson G. Phelps, Richard H. McCurdy, C. W. Lawrence, Leonard Kirby, Don Alonzo Cushman, Comptroller Fuller, of the State of New York; State Senators Crolus, Beekman, Morgan, Williams, and Brandreth; Assemblymen Allen, Gregory, Varnum, Dewey, Tuthill, Ryan, and Backhouse; W. C. Hasbrouck, ex-Speaker of the Assembly; Mayor Kingsland, and members of the municipal government. There were 300 passengers in all, including Chief of Police George W. Matsell and staff. An important adjunct of the party was George Downing and his corps of trained assistants. Downing was the most famous New York caterer of that day, and he was engaged by the Company to be the official caterer to the great excursion. That he did his duty well, both in the providing of solid and liquid comfort, is one of the recollections of the occasion that will never fade from the minds of any of those who had evidence of it and are alive to-day.

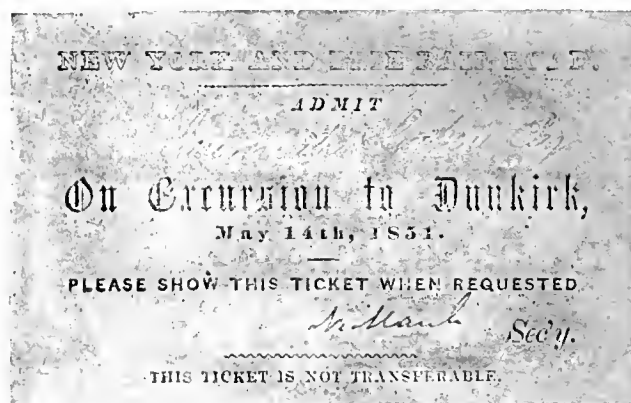
On the steamboat were the head of the United States government and his chief advisers; Governors; United States Senators; heads of great municipal corporations; legislators; princes of trade and commerce; and the officers of the entire Board of Management of the then greatest railroad in the world.

"If by any accident," said Joseph Hoxie, the wit of the excursion, "this boat should go to the bottom, what consternation there would be throughout the United States and the habitable globe!"

The "Eric" arrived at Piermont at 7:45, amid the ringing of bells, firing of cannon, and the cheering

of an immense assemblage from all the surrounding country. President Fillmore made a brief speech to the people. Everything on the mile-long pier was decorated with flags. On one large banner was inscribed: "We know no secluded districts." On another was: "Congratulations of Rockland County, Hudson River and Lake Erie."

Two trains, decorated from locomotives to rear cars, were in readiness for the guests. The first one, carrying President Fillmore and the noted guests, started at eight o'clock; the other one seven minutes later. The conductor of the first train was Henry Ayers; of the second, William H. Stewart. The weather being fair and pleasant, Daniel Web-



FAC-SIMILE REPRODUCTION OF THE TICKET OF ADMISSION TO THE EXCURSION TRAIN. ORIGINAL OWNED BY BENJAMIN H. LODER, ESQ., BROOKLYN, N. Y.

ster rode on a flat car, at his own request, a big, easy rocking chair being provided for him to sit in. He chose this manner of riding so that he could better view and enjoy the fine country through which the railroad passed. It seemed as if all the inhabitants of that portion of historic Rockland County, N. Y., on one hand, and of Bergen County, N. J., on the other, had flocked to the railroad to raise their voices in rejoicing that the long-awaited and momentous event was at last at hand. But before the leading train had gone many miles the annoying discovery was made that the engine was not equal to the task, and the engine of the second train was brought into service to push the head one along, and thus help the leading locomotive out.

Locomotive building was but little more than in its infancy in this country then, and Paterson, N. J.,

was making the reputation which has made it a center of that industry for almost the entire world. Rogers and Swinburne were rivals in the business, and both had turned out engines for the Erie. Among the engineers running on the road were Joshua R. Martin and Gad Lyman. The former ran from Port Jervis to Susquehanna, the latter from Piermont to Port Jervis. Martin had been running a locomotive from the Rogers shop named "Oneida," which he called the "One Idea," because he said it only seemed to have one idea, and that was that it couldn't do the work he wanted it to do. In December, 1850, Swinburne delivered to the Company a locomotive known as No. 71. Engineer Martin set his heart on the engine, because he believed it was a good one, and for the further reason that he was a firm friend of Swinburne's, and wanted to give the locomotive the best possible test for the benefit of the builder. The locomotive, however, was assigned to Gad Lyman, who was a strong advocate of the Rogers locomotives. Lyman ran the engine for some time, but complained constantly that its construction was such that he could not make his time with it. As he failed so frequently in making his time, the locomotive was condemned. When Martin heard of this he made application to Master Mechanic John Brandt, who in those days ruled in all such matters, to have charge of "71." The Master Mechanic said that the machine wasn't worth bothering with for regular business, and he assigned it to duty on the gravel train. The failure of the engine was a severe blow to Swinburne, who had exercised his best skill and knowledge in the science of locomotive construction to turn out a perfect machine. Martin did not lose faith in the engine's qualities and capacity, however, and continued so persistently to solicit Master Mechanic Brandt for its charge that the latter, who was very emphatic in the use of language, told the engineer to "take the damned old thing and go to hell with it." At Martin's request, Swinburne took the locomotive to his shop for the purpose of remedying whatever defect he had made in its construction, but a careful examination of the parts failed to reveal anything wrong. Martin then assumed control of the throttle on "71," and if he was ever late in making his time on

the crooked Delaware Division it was not the fault of the engine. He made his runs on time easier with "71" than he had ever done with previous locomotives, and had run her but two weeks when the great event of both his and Swinburne's lives occurred.

After Gad Lyman had abandoned No. 71 as useless, he was given an engine of the Rogers make—No. 100. In May, 1851, Lyman was notified that he was to run the excursion train from Piermont with his locomotive, and he was a proud man when he pulled open its throttle and started on that historic day. But before he had gone many miles Engineer Lyman saw, much to his dismay and chagrin, that his engine was with difficulty hauling the train, and that he could not make time. Before he reached Suffern the engine was "stuck," and the one on the rear train was called to its aid, as noted above. This engine was the Steuben, or No. 6, Onderdonk Meritt engineer, James Gillin fireman. The train reached Goshen in this way, much behind time.

At Chester, N. Y., where the Newburgh Branch then had its terminus, a number of guests from Newburgh had joined the party. They added a splendid banner to the collection of such offerings already aboard the excursion train. On one side of it was a view of Newburgh Bay, looking toward West Point, with a train of cars in the foreground on the right, taken from the south end of the village near the point where the branch railroad entered, enclosed in a medallion or shield, surmounted by an eagle holding in its beak a scroll, with the names of the President and Vice-President of the Company and the names of the other Directors tastefully displayed on the leaves and scrolls which formed the border of the shield. Over it was the motto: "This peaceful victory more glorious in its triumph than Austerlitz or Waterloo." And underneath: "Neighbors to-day, strangers yesterday. Newburgh, Dunkirk." On the reverse was a faithful representation of Washington's Headquarters, over which was the motto: "This day wanting, the world had not seen the extent of human greatness." The banner was painted by a Newburgh artist named Charles W. Tice.

At Goshen ex-Governor W. H. Seward, who had

been visiting at the village of Florida, near by, his native village, joined the party. At Middletown Webster addressed the people. The trains were an hour late there, with Gad Lyman's engine still incompetent. At Middletown General Superintendent Charles Minot sent a telegram to "Josh" Martin at Port Jervis over the first railroad telegraph line ever constructed, and then but recently in operation, to be ready with his engine "71" when the first excursion train reached Port Jervis, to take it on to Susquehanna.

"I was present when Josh received the dispatch," says the Rev. H. Dutcher, of Warwick, N. Y. "He was in his glory. With an extra chew of tobacco, and with his monkey wrench and oil can, he had the '71' in order and blowing off at 140 pounds pressure to the square inch long before the train came in sight. When the train arrived, forty-seven minutes late, Martin backed up '71' and coupled on. Swinburne, her builder, who was one of the excursionists, stepped upon the engine to ride, and Martin slapped him on the shoulder and said:

"Swinburne, I am going to make you to-day, or break my neck!"

At Port Jervis a vast concourse of people, from three States and numerous counties, had assembled to welcome the train. The village fire department was out in force and gala attire, and a local band responded to the strains of the great Dodsworth's band as the train steamed to the station. A scarlet silk banner, beautifully trimmed, was presented to the officers of the Company, bearing the inscription, on one side: "The Banks of the Delaware Welcome the Iron Horse from the Atlantic." On the reverse: "Presented by Citizens of Port Jervis, May 14, 1851." As, according to the official programme, the first train had only five minutes to stop at Port Jervis, or Delaware, as the station was then called, the train was started on its way before the presentation address was completed, and left a great many heart-burnings among the good people of Port Jervis and vicinity who had assembled to do honor to the distinguished excursionists.

A notable incident—to many amusing and to others not—occurred at the reception of the excursion train at Port Jervis. Oliver Young, a leading lawyer

and citizen of the place, and a strong anti-slavery man, had been one of Daniel Webster's most ardent admirers for years, but when Webster supported the measures that led to the passage of the Fugitive Slave Law, Counsellor Young denounced him as unfaithful to his trust. When the excursion train, bearing Webster and the rest, stopped at Port Jervis, Mr. Young had devised means to demonstrate the indignation he felt toward his former hero. He did this by moving up and down, presumably in sight of Webster, bearing a banner on one side of which, in large letters, was the word, "TRAITOR!" On the other side was the inscription: "SLAVE-DRIVER!" What the effect of this was upon the distinguished statesman it was intended to rebuke is not recorded; but it gave Counsellor Young great satisfaction then and during all his after life.

It is declared by old railroaders to this day that a train has never run over the Delaware Division of the Erie at greater speed since that memorable day. The late Captain Ayers was the conductor. The distance between Port Jervis and Narrowsburg is thirty-four miles, and the run was made in thirty-five minutes, according to the testimony of the conductor, engineer, and several passengers. The officers of the road with the party were astounded. The passengers were alarmed, and some of them wanted the train stopped so they could get off. The party dined at Narrowsburg, at the hospitable house of Major Fields. The train was late in leaving Port Jervis, and it was necessary to make up lost time. Whatever of this was really regained between Port Jervis and Narrowsburg, it is a fact that the trains were detained at the latter place half an hour by hot journals.

During the repast at Narrowsburg a set of resolutions was adopted by the Railroad Company's guests, and presented to the President and Directors. Governor Marcy made the presentation speech, in the course of which he said:

"Men of the highest genius and eloquence in the land have bestowed the warmest eulogiums on the energy and devotion of the Board of Directors in the prosecution of their great work, but the most elegant tribute of praise is the work itself."

The train sped on through the Delaware Valley,

stopping at Cohecton, Callicoon, and other places to take on invited guests and give the people an opportunity to see and hear the great men who were the orators of the occasion. At Callicoon a banner which created much amusement to all was presented to the officers of the Company. On one side of it was this inscription:

DAMASCUS, WAYNE CO., PENN.

So long as Pennsylvania Taxes the New York and Erie  
Railroad Company \$10,000 a Year to Run Through  
Pike County, We are Pennsylvanians—with a Proviso.

On the reverse side was this:

BRING OUT THE BIG GUN,  
LO-DER!

The Mountains are Levelled, the Valleys are Filled,  
and the *Marsh* is Dry.

The former was an expression in a jocose way of the indignation the people along the railroad felt because the Company was compelled by its grant from Pennsylvania to pay a perpetual bonus of \$10,000 a year into the treasury of that State, as is recorded in detail in a preceding chapter. The latter inscription was a play on the names of the President and Secretary of the Company, Benjamin Loder and Nathaniel Marsh.

At Deposit, which station was made on time, a stop of five minutes was made, amid the roar of saluting cannon. Judge Knapp, Maurice R. Hulce, Esq., and other prominent citizens were taken on board. President Fillmore and Mr. Webster made brief speeches.

When Starucca Viaduct came into view as the train glided down the western slope of the mountain between Deposit and Susquehanna, there was great enthusiasm among the passengers, and the trains were stopped for a few minutes at the viaduct. The President's party and many others left their car to inspect and admire this greatest and most beautiful work of masonry then in this country, and enjoy the landscape scene of which it was the center, then, as now, one of the fairest on the continent.

A mile beyond was Susquehanna Depot, where Josh Martin and "71" landed the excursionists only eight minutes late, in spite of the thirteen minutes' stop at Cascade and Starucca Viaduct. An enthusi-

astic, if not harmonious, reception awaited the excursionists there. Susquehanna had then the most extensive railroad yard on the line. Sixteen locomotives were on the switches, side-tracked with their trains until the special trains had passed. As the excursion train drew up to the station, the sixteen locomotives blew their whistles and rang their bells in chorus—and a deafening and discordant chorus it was. Added to the din the locomotives made, was the booming of a cannon on an adjacent hill, the piece being kept in active operation by a company of local militia. A broad scarlet banner, stretched over the railroad at the station, bore words of greeting and welcome to the visitors, who were met at the station by the entire population of the place. There was a procession of railroad employees, at their head Luther Coleman, one of the pioneer locomotive engineers of the road, who discoursed airs of welcome on what now would be an old-fashioned copper-key bugle. "There has been," says one who was present, "considerable 'spiritualistic' preparation for the reception, and, after the departure of the train, the festivities were prolonged the remainder of the day and evening." The trains tarried at Susquehanna a few minutes, and proceeded on their way, ushered out by the same chorus of many-keyed whistles and loud booming of cannon.

The largest gathering of people that had greeted the pioneer through-train anywhere along the route was encountered at Binghamton, then a village. More than 4,000 persons, a large proportion of them young women, welcomed the excursionists. A large white banner, bearing simply the word "Welcome," was conspicuously displayed. President Fillmore appeared on the platform of his car, his head bared, and spoke as follows:

The poet says, "Full many a flower is born to blush unseen, and waste its sweetness on the desert air," but this can no longer be said of Binghamton, or of the other flashing villages on the track of a railroad which connects the Atlantic with Lake Erie.

The banner was then presented. Daniel Webster addressed the multitude:

I can hardly say more than express the pleasure I have in seeing you and the western end of this great work of art. I

have crossed the upper branches of the Delaware and the Susquehanna, and I know something of these rivers at their mouths; but never have I seen them as they issue from these lofty, sublime, and picturesque hills. It is a beautiful and a vigorous and a healthy country. May God bless you and enable you to enjoy all its blessings.

Secretary of the Navy Graham also made a speech. United States Senator Daniel S. Dickinson joined the party at Binghamton and the train sped on.

The citizens of Owego had made preparations for a fitting reception. The train arrived there about 5 o'clock P.M. While Webster, in response to persistent calls, was speaking, the signal was given and the train moved off. The crowd cheered, but there was much disappointment. At Waverly a handsome white satin banner, designed and made by the ladies of the village, was presented as the train stopped. It bore the simple inscription: "Westward, Ho!"

The hour scheduled for the arrival of the excursion at Elmira, where it was to remain over night, was 6.40 P.M., but it did not reach there until 7 o'clock. A grand demonstration in honor of the event was ready for the ceremonies when the distinguished guests arrived. The military, the firemen, the civic societies of the town awaited the train, with flags flying, cannon booming, and the populace cheering. When President Fillmore and his suite alighted at the station a national salute was fired. The party was received by a delegation, headed by Alexander S. Diven, who spoke as follows:

I welcome, I greet you, in the name of Elmira. Though we have long learned to appreciate the importance of this road, we are receiving every day fresh evidence of its vast advantages, until now at length the climax is capped by the events of this glorious day. He who would tell us how much it cost to bring this railroad to our doors, and narrate a history of the difficulties that have been overcome in accomplishing it, would have to write a book. I will not, therefore, occupy your time in relating these matters, although I desire to do you justice. This is no novel enterprise. A far-seeing mind long since conceived the idea. In 1832 it was broached. When the project was set on foot it was laughed at by many, but you, the directors, had faith in it, and never for a moment shrank from the enterprise. The cost was estimated at \$6,000,000. When you discovered that it would cost \$20,000,000, you did not shrink even then. But had the public known that it would have cost such a sum, the railroad would not have been built this day, nor perhaps for many years to come. A draft of yours was never dishonored, even when those animals, the bulls and bears of Wall Street, were alarming the money interests. When there was not a dollar in the treasurer's hands, and those gentlemen used to come to him with

demure faces that seemed to say all was lost, both your treasurer and your president used to greet them with as hearty a laugh as Napoleon gave before victory. This disarmed their suspicions, and when they saw your smiling faces they went into Wall Street and said: "There is no danger. Our apprehensions were unfounded." Then the enterprise went on prospering, until now at length it is accomplished, and everything looks bright and cheering. But there is better cheer for you, gentlemen, than mere words. We will show you a table spread with the products of our city market—you city gentlemen. But for you, what would we know of fresh shad and living lobsters? (Roars of laughter.) What is better than all, you have brought us to-day a live President. (Renewed laughter.) Who, a little while ago, would have expected such an honor for this village? You have brought us enlightened statesmen, renowned throughout the world. You have brought us Governors, ex-Governors, and Commanders. Oh, little Elmira! how will you bear such honors? Will they not spoil you, or will you receive them with meek content, and improve them to your advantage and that of the State? This is the greatest enterprise since the first cannon was planted at Buffalo, and a line of guns extended thence to Albany, which with one uninterrupted roar announced that the waves of the Hudson were baptized with the blue waters of Lake Erie. This is a new chain which binds those extremities and all the intermediate parts together with links of iron, as indissoluble as the marriage tie. (Great cheering.)

President Fillmore and Secretaries Webster, Graham, Hall, and Crittenden made graceful speeches in response to Mr. Diven's address of welcome.

The leading hotels in Elmira were then Haight's and Brainard's. At the close of Mr. Diven's speech the excursionists were separated into two divisions. One, headed by President Fillmore, was marched to Brainard's. The other, with Daniel Webster in front, proceeded to Haight's. Magnificent entertainment had been provided by the village. At Brainard's George Gray presided, with the President of the United States and the President of the New York and Erie Railroad Company on his right, and the Attorney-General and Postmaster-General on his left. The banquet was served at four long tables, and besides the feast of good things prepared by the hotel, the excursion's official caterer, Downing, lent the aid of himself and waiters in enhancing the service and adding variety to the viands from the store aboard the train. There were no speeches, at President Fillmore's request. After the banquet the President held a levee in the parlor of the hotel, where he received the crowds of enthusiastic people who jammed the halls and streets outside.

Similar scenes were enacted at Haight's Hotel, where Webster, Dickinson, Seward, and others of the

distinguished party were entertained. Although weary and hoarse from much speaking during the day, Webster responded to calls for a speech by a short but eloquent address. Seward also addressed the immense crowd. Although the eminent visitors retired early, the streets of Elmira were alive all night long with curious and vociferous people.

The party left Elmira at half-past six o'clock next morning. The cars had been further decorated by the addition, during the night, by the trainmen, of all the banners and offerings collected thus far on the trip, and the gilded standards glittered in the morning sun as the train sped away again westward. Conductors Ayers and Stewart had run their respective trains to Elmira. Conductors C. L. Robinson and W. C. Chapin were to take charge of the trains from there to Dunkirk. It was an extraordinary occasion. Great liberty and license were permitted to every one. Hospitality was unbounded. Everybody was celebrating and making merry. Men who were known as staid and strict men unbent themselves and dallied perhaps overmuch with the help to good cheer that prevailed everywhere, without money and without price. Hilarity ruled the night. At six o'clock next morning Conductor Robinson was willing to remain in Elmira, and W. H. Stewart was placed in charge of Captain Ayers's section, and Conductor Chapin ran the second section. Thus Conductor Stewart became the first conductor who ran a train the entire length of the New York and Erie Railroad, from Piermont to Dunkirk.

At Corning, which, since the construction of the New York and Erie Railroad was begun, had sprung into being literally out of the wilderness, President Fillmore, Senator Douglas, and William E. Dodge addressed the few people who had assembled to greet the historic train and its distinguished passengers. There were few cheers or hearty greetings there, for the reason, as a leading citizen of the place has informed the author, that Corning was then a Democratic stronghold, and many of the great people among the excursionists being Whig leaders, and each one a candidate for the Presidency, Democratic Corning did not propose compromising herself by turning out and shouting for them. An enthusiastic greeting met the train at Hornellsville, the growth

of which place even then was giving promise of the position it was destined to fill as the metropolis of Steuben County. Hornellsville being the terminus of the Susquehanna and the beginning of the Western Divisions, a change in engines was made there. Charles H. Sherman, one of the pioneer engineers of the Western Division, with Samuel Tyler as his fireman, attached his engine to the head train to finish the run to Dunkirk. The second train's engine was handled from Hornellsville to Dunkirk by William D. Hall, another of the original engineers on the Western Division; and still another one, William A. Kimball, brought up the rear with his locomotive, to act as helper if help was required, on any of the steep grades between Hornellsville and Dunkirk. After speeches by all the dignitaries, the train started on. At this place Superintendent Charles Minot pulled off his coat and mounted the locomotive of the leading train, and rode in the cab all the rest of the way.

One of the excursionists, making notes of the trip over the hills of the Western Division, gives a vivid idea of the condition of that region at the time the locomotive's whistle first awoke the echoes there. "Now," he wrote, "comes a long tour through vast lumber regions, showing no evidence of cultivation, except this noble road, and now and then a secluded log hut. We fly rapidly to places called Almond, Baker's Bridge, Andover, Genesee, Scio, Philipsburg, Belvidere, Friendship, Cuba, Hinsdale, Olean, Allegany, Albion, Dayton, Perrysburg, and Forestville. Most of these places are in the midst of the forests, with few or no houses visible, and wonder is often expressed as to where the assembled crowds came from—but they are there, and thriving settlements will soon begin to show what they are doing." A prophecy that long ago came true.

Among the numerous and appropriate banners presented at the several stations on the route, one of the happiest was the one from Belvidere, Allegany County. The poetical inscription arrested attention:

Here the fierce red man trod his pathless way,  
In search, precarious, daily food to slay,  
Or, hid in ambush, sprang upon his foe,  
Striking unseen the unsuspected blow;

Now steam, resistless, spreads his fiery wings;  
 Where want depresses, wished-for plenty brings,  
 Or ponderous weapons to our borders draw,  
 Or writes on ocean wave Columbia's law.  
 Boast not, proud white man, arts of peace or war;  
 Look up to heaven, and see how small you are!

At Allegany, a large number of Indians of the Cattaraugus Reservation had assembled to see their White Father. They were dressed in their peculiar costumes, and some of them were painted. President Fillmore addressed a few words to them, expressing pleasure at seeing them in such good health, and some of the party purchased articles of aboriginal fashioning. The excursionists began to see the red men frequently mingled among the whites at different stations through which the railroad passed, as it ran for several miles through the reserved Indian lands.

"The route through Cattaraugus," wrote the observant excursionist quoted above, "affords a succession of views of the most stupendous scenery that any railway ever passed through. As the road winds among these titanic mountains, we are filled with awe at the majestic sublimity of landscape. It is a perfect wilderness; but down in the deep valleys and up the mountain sides a patch of black stumps may be seen, and now and then the smoke of the destructive settler rises through the tops of the tall pines he is leveling both with fire and axe."

At Dayton, Cattaraugus County, on the summit from which the first glimpse of Lake Erie was had, a glimpse which was greeted with glad huzzas from a hundred throats, the people had assembled to welcome the distinguished party, and make memorable the important event with a military salute from an old field piece which had done duty in the War of 1812. The gunner was Ebenezer A. Henry. He had fired one gun and had loaded the piece for another, when it was prematurely discharged. Both of Henry's arms were blown off, and one eye destroyed. The unfortunate man was carried away, his death being thought only a matter of a short time. A collection in his behalf was taken up among the excursionists, and a comfortable sum of money raised. The Railroad Company subsequently contributed \$250 for his benefit.

At Dunkirk, naturally, the western terminus of

the road being there, most elaborate preparations had been made for the fitting celebration of the event that had called the modest little village on the shores of Lake Erie suddenly into a world-wide prominence, and for the suitable entertainment of the illustrious and distinguished guests to whom it was to be host on the momentous occasion. For weeks the town and its surrounding country had contributed freely of their resources, so that the celebration might only not fail of success, but be of everlasting honor to the village and its people. The thousands who were sure to crowd the streets on the day of days must be fed, though a famine result to the outlying country. So favorable was the progress of the preparations, that when the morning of the 15th of May broke, it shone on a village resplendent in its holiday garb, and with a commissariat worthy of the sustenance of an army on a long campaign, as the official programme for the occasion, here reproduced, well indicated:

#### RAILROAD FESTIVAL

to be given to

THE PRESIDENT AND DIRECTORS OF THE NEW YORK  
AND ERIE RAILROAD COMPANY

And their invited guests on the completion of and  
opening of the New York and Erie  
Railroad, connecting the Ocean  
with the Great Lakes, at  
Dunkirk, on Thurs-  
day, May 15,  
1851.

#### PROGRAMME.

The President of the United States, Secretary of State, and Heads of Departments of the General Government.

The Governor, Lieutenant-Governor, and Heads of Departments of the State of New York.

The Mayor and Municipal Officers of the City, together with other distinguished guests, escorted by the President and Directors of the New York and Erie Railroad Company, will leave New York at 6 A. M., Wednesday, May 14, stopping at Elmira one night, and will arrive at Dunkirk, May 15, at 4 P. M., when the Company will be received with appropriate ceremonies.

After which a collation will be served up at the Station House, to which all are freely invited.

#### BILL OF FARE.

Chowder, a yoke of oxen, barbecued whole, 10 sheep roasted whole, beef a la mode, boiled ham, corned beef, buffalo tongues, bologna sausage, beef tongues (smoked and pickled), 100 roast fowls, hot coffee, etc.

In the evening a magnificent display of fireworks in commemoration of the great triumph of art over nature:

1. Plantain Tree.
2. Pride of America.
3. Egyptian Pyramid.
4. Palma Christi.
5. Star of Independence.
6. Chandelier Illuminated.
7. Passion Flower.
8. Triumphal Arch, with motto for occasion.

GEORGE A. FRENCH, *Chairman of Committee.*

The whistle of the locomotive that signaled the approach of the pioneer through-train was heard in Dunkirk about half-past four in the afternoon. This was the whistle of the first Western Division engine, "Dunkirk," sounded by the engineer who brought it on the road, set it up, and ran it—Horatio G. Brooks. He had gone out with his engine to meet the train. Instantly church bells began pealing forth a glad welcome, and cannon roared. The vast throng went wild with excitement. When the train came in sight, the two having been made into one before entering Dunkirk—Brooks and his engine leading the van—a salute of thirteen guns was fired from the United States steamer "Michigan," lying in the harbor, and by the artillery of the 65th Regiment on the common near by, in honor of the President and his party. The train first ran beneath a canopy formed by the union of the French, American, and British flags. Beyond this, approaching the terminus of the tracks, a triumphal arch of evergreens and flowers had been erected. It was surmounted by the American flag. Near by the arch, on a substantial pedestal, and at the extreme end of the railroad, was an old-fashioned plow, on which was printed the word "Finis." This was the plow used in breaking ground at Dunkirk in July, 1838, for the historic ten-mile section.

At the platform erected for the reception of the guests were two banners, which were afterward presented to the President and Directors; one by the ladies of Dunkirk and the other by citizens. On the first was inscribed: "The ladies of Dunkirk honor the perseverance of the officers of the New York and Erie Railroad. May 15, 1851." Beneath the inscription was a view of New York harbor. On the other was inscribed: "The New York and Erie

Railroad and Erie Canal—Monuments to the Enterprise and Resources of the Empire State. 1824–1851." In the neighborhood of the terminus there were other flags suspended from the houses and buildings. One was inscribed: "The New York and Erie Railroad, the greatest achievement of human enterprise, unites forever the ocean and the lakes." In the extensive shed erected for the purpose, a repast was spread for the dense crowd. It extended along Railroad Avenue from Deer Street to Lion Street. The table was 300 feet long, the whole length of the building. The barbecued oxen excited much curiosity. There was pork and beans in tin vessels holding fifty gallons each. Bread had been baked in loaves ten feet long by two in width, and their weight was such that it took the strength of two men to carry them. Ranged along the table were barrels of cider to wash down the viands. The author's home was in Dunkirk then. As a six-year old boy he remembers that occasion chiefly from the fact that the shanty in which an ox was being barbecued caught fire and was burned, ox and all.

When the officers of the Company alighted from the train, near the triumphal arch, Mr. Loder was introduced to the thousands of people by Chairman Carpenter of the Reception Committee, in a brief speech. William E. Dodge responded on behalf of the officers and Directors of the Company, as follows:

I am utterly at a loss to express my own feelings, much less to give vent to the deep emotions of my associates, as we begin to realize the fact that we are at the end of our long and toilsome journey, that our eyes look out upon this mighty lake and backward over a continuous line of rail to our city homes. Oh, yes! it is no fiction. We have reached the goal of our hopes. And now, as we look back on the days of darkness, disappointment, and toil—and they were many—let us to-day forget them all in our rejoicing that over all we have triumphed, and that at last this arduous work has been accomplished. The Empire City and the great West, the Atlantic Ocean and the inland seas, are by this ligature of iron made one.

Who will attempt to predict the future of this road? Although my friends have called me crazy in my estimates of its growth, I feel to-day that if I am spared to make fresh estimates ten years hence, I shall wonder at my present tame views and stinted calculations.

What mind can keep pace with the progress of this country? What was Buffalo, or Cleveland, Detroit, Cincinnati, or St. Louis in 1832, when this road was chartered?

Where were Wisconsin, Iowa, and Minnesota? Where California and Oregon? Just in proportion as this country expands, and its foreign and domestic commerce develops, will the business of this road increase. Who can compute its income and importance as years go on?

We accept with deep emotion your cordial welcome, and we say to the people of these counties and to the multitudes in the West who have long watched for the completion of the task: We have built this highway for you and your posterity.

Mr. Dodge's speech was greeted with enthusiastic cheering. The Dunkirk band played "Yankee Doodle," after which the banners were presented to the President and Directors of the Railroad Company—the banner prepared by the ladies of Dunkirk and the one offered by the citizens. They were accepted by Director Dodge, on behalf of Mr. Loder and his fellow Directors. Three cheers were given for the ladies of Dunkirk, after which the following commemorative ode, written for the occasion, was sung:

Ay, let the welkin ring  
With cannon's roar,  
Tune high each joyful string  
In this glad hour.

Ring out a merry peal,  
Fling banners high,  
Throng round the festive board  
With mirth enjoy.

Darkness and doubt have long  
Over us hung;  
Fitful and far the gleams  
Hope o'er us flung.

But now her steady light  
Shines o'er our way.  
Sing with united voice  
"This is our day."

And while our thanks arise  
To that high power  
Who from the gloom of night  
Brings this fair hour,

We to our faithful friends  
Thanks would offer too,  
Who, through perils past  
Stood tried and true.

We joy with you o'er labor done,  
Each honored guest we greet,  
And to the Queen of Hudson's wave  
Love and homage mete.

Swell high the festive strain,  
Shout amid the cannon's roar,  
Until old "Erie's" waves convey  
The echo to each distant shore.

A procession was then formed under the direction of the Marshal of the Day, Noah D. Snow. It was led by President Fillmore, his Cabinet, and the Erie officials, and paraded through the streets to the strains of Dodsworth's band, and back to and around the depot or shed, where the public refreshments were spread, the procession entering it at the east side. All were interested in the grand display. The barbecued oxen, suspended from poles; the roasted sheep, resting leisurely on immense dishes; the ten-foot loaves of bread, the tubs of pork and beans, were examined and praised. President Fillmore was attracted particularly by the pork and beans, and would have been pleased to taste them had the crowd permitted him to do so. Mr. Webster inspected the chowder, but did not taste it. He said to Crittenden that it looked nice, and that he had no doubt it was properly compounded. He said that it was a dish of which he was particularly fond, and that when he had the pleasure of meeting Crittenden at Marshfield he would invite him to eat some of his own making. He said he had the reputation of making it well.

"A little port wine," he said, "is a great improvement in chowder, and if you ever undertake to make any, I would recommend you, by all means, to put a pint of old port into it. Then you will be as partial to it as I am myself."

The barbecue was under the direction of Enoch Carter, assisted by C. W. Tice, William Lisle, J. H. H. Chapman, J. K. Lawson, William C. Lawson, R. Sterling, W. C. Pennoyer, and W. Caulfield, of Newburgh, N. Y., and W. Simonson, of Cold Spring, N. Y. The table was decorated with four banners, also the production of artist Tice. One was a view of Dunkirk harbor, with the motto: "New York welcome to Dunkirk." On the next was painted a shield enclosing a view of a train of cars passing over a viaduct, with the names of three engineers, Seymour, Stancliff, and Swift, and the motto: "Science and art have leveled the mountains, filled the valleys, bridged the rivers, and joined the lakes and

ocean with iron." On the third was a view of a train of cars passing through a deep cut, with the motto: "'Tis done—'tis done—the mighty chain that binds bright Erie to the main." On the fourth banner was a view of the depot at Dunkirk, with a train of cars entering, together with the inscription: "Completed May 15, 1851."

The banner first in the Dunkirk procession was the one presented by the Waverly ladies, bearing the significant inscription: "Westward, Ho!"

After inspecting the depot thoroughly, the procession reformed and marched to the Loder House, where tables were spread for the guests. President Fillmore and the other distinguished men were introduced to the people by Lieutenant-Governor George W. Patterson. Speeches were made by ex-Governor Seward, Senators Stephen A. Douglas and Daniel S. Dickinson, Secretary Crittenden, Governor Hunt, Ely Parker, the eloquent Seneca chief who became General Grant's chief of staff during the civil war; Judge Jessup of Pennsylvania, Benjamin Loder, Horatio Allen, and many others. President Fillmore and others addressed the multitude from the windows of the hotel. One of these was the famous Joe Hoxie, whose wit and humor on that occasion were a pleasant memory in Dunkirk, and with all who heard him, for many a day. William B. Ogden made a speech at the Loder House feast, in which he reflected savagely on the State of Pennsylvania for charging the Erie Company \$10,000 a year for the privilege of passing over a poor portion of its territory. This aroused Gen. James Irwin, of Pittsburg, who repelled the charge of meanness, and made some uncomplimentary allusions to Mr. Ogden, who defended his position. Angry words followed, and a collision was feared, when Judge Jessup, of Montrose, Pa., arose and poured oil on the troubled waters by a timely explanation, saying that he had been employed by the Company to obtain the law at Harrisburg, and it was perfectly satisfactory. Mr. Ogden apologized handsomely, saying that he had been misinformed, and peace was restored.

One of the most interesting and valuable speeches made on the occasion, because it was a contribution to railroad history which should settle forever the disputations on the subject that still prevail, was made

by Horatio Allen, ex-President of the New York and Erie Railroad Company, and at that time its Chief Engineer. His subject was the "Coming of the Locomotive," and he spoke as follows about the trial trip of the very first locomotive that ever turned a wheel on the American continent:

When was it? Where was it? And who awakened its energies and directed its movements? It was in the year 1829, the month August, on the banks of the Lackawaxen, at the commencement of the railroad connecting the canal of the Delaware and Hudson Canal Company with their coal mines, and he who addresses you was the only person on that locomotive. The circumstances which led to my being alone on the engine were these: The road had been built in the summer; the structure was of hemlock timber, and rails of large dimensions notched on caps placed far apart. The timber had cracked and warped from exposure to the sun. After about 300 feet of straight line, the road crossed the Lackawaxen Creek on trestle work about thirty feet high, and with a curve of 350 to 400 feet radius. The impression was very general that this iron monster would break down the road, or that it would leave the track at the curve and plunge into the creek. My reply to such apprehensions was that it was too late to consider the probability of such occurrences; that there was no other course but to have the trial made of the strange animal which had been brought there at great expense; but that it was not necessary that more than one should be involved in its fate; that I would like the first ride alone, and the time would come when I should look back to the incident with great interest.

As I placed my hand on the throttle valve handle I was undecided whether I should move slowly or with a fair degree of speed, but holding that the road would prove safe, and preferring, if we did go down, to go handsomely, and without any evidence of timidity, I started with considerable velocity, passed the curves over the creek safely, and was soon out of hearing of the cheers of the vast assemblage present. At the end of two or three miles I reversed the valve, and returned without accident to the place of starting, having made the first locomotive trip on the western hemisphere.

Dr. Wilson, a full-blooded Cayuga Indian, made a speech at the Loder House banquet, which, for true eloquence and poetic fire, was by far the ablest speech of the occasion. It was as follows:

FELLOW-CITIZENS: I am a Cayugan, and a regular descendant from the pure stock of the native American. Gentlemen here to-night have boasted about democracy; but democracy was established here long before the pale face came upon these shores. My ancestors were democrats long before the arts of civilization drove them from their hunting grounds and the quiet possession of their forest homes. The orator from Kentucky (Crittenden) who addressed you to-night said that the pale faces came here a mere handful, and had grown to be a great nation; but he forgot to tell you that when they landed upon these shores, helpless and in want, the red man fed them with the milk of human kindness, that he took them

to his wigwam, spread before them his amplest hospitalities, and entertained them as brothers.

Fellow-citizens, I am "to the manner born." I have no foreign prejudices to overcome. My nation can trace its history back to a period when the territory dotted by your grand cities and villages was covered by a primitive forest. It has not meddled with the politics of the pale face, and I think that gentlemen who have talked here to-night about Whigs and Democrats had better left their politics at home. ("Good. That's right.") The pale face has completed a mighty work. He has overcome the most imposing natural barriers; he has pierced the valleys of the Delaware, Susquehanna, Chemung, Alleghany, and levelled the hills which were roamed by my ancestors centuries ago. Now their descendants marvel at the doings of the mighty pale face. They cannot but be pleased to see him accomplish his great destiny; to see him fly from hill to valley, and ride upon the wings of the lightning. If the *New York Tribune* is to be believed, he has carried his enterprises beyond this world, and receives communications from inhabitants of the other world. I tried a short time since to get communication from my friends in the land of the great spirit, but they had learned the language of the pale face since they have arrived there and could not understand the idioms of the Cayugan. (Uproarious laughter.)

But, fellow-citizens, in behalf of my tribe, I come to congratulate you upon the completion of your great work. Your passage through our territory amazed my people; nature seemed to shake as you thundered along, and the gigantic oak and lofty pine bowed in token of your triumph. But the heart of the Cayugan is warm, and he greets you and welcomes you to his country. (Prolonged applause.)

Dr. Wilson then presented to President Loder a banner from the Cayugan tribe, upon which was inscribed the pipe of peace, their national emblem. He accompanied the presentation with a few appropriate remarks, to which Mr. Loder responded.

Among the speeches made in Dunkirk was one by Daniel Webster the evening after the celebration, he being too ill to deliver an expected address at the Loder House feast. The popular cry for him to speak had been clamorous and constant at every station. He was then in training for the Presidency, and had so often responded to these calls that he was nearly worn out, and his voice well-nigh spent. He was quite an old man, and, indeed, died the following year, broken-hearted at the ingratitude of his party. On this occasion, though giving evidence that he was physically exhausted, the majesty of the man's person, countenance, and mien was indescribable. His great black eyes, gleaming out of cavernous depths, under heavy brows dark almost to a frown, but with a droop to the eyelids that gave them a look of inconceivable gloom, smote

upon the senses of the spectators with a weird and wondrous fascination. He appeared at a window of the Loder House, in response to the vociferous clamoring of the multitude, and made a few words of apology in a voice so faint and hoarse that few in the vast crowd could distinguish what he said. In his address the next evening he spoke as follows about the railroad:

Mr. Loder, who devotes so much of his time and attention to the affairs of the Company, receives a small compensation. The other sixteen Directors do not receive a cent. Several of these gentlemen have for years given two hours of their time to the prosecution of this work for one they have devoted to their own private business. They derive no benefit from it, except what they derive in common with the rest of the community; and such has been sometimes the state of the finances that the whole thing must have stopped if they did not pledge their private fortunes and raise heavy sums upon their individual security. I heard the Secretary say, within the last two days, that there was a time when there was not a dollar in the treasury, and not one could be raised except at a ruinous sacrifice. But these men came forward with \$365,000 to save the enterprise. This I call public spirit.

Webster's speech was made in the large dining hall of the Loder House at 7 P.M. of May 16th.

President Fillmore and Mr. Webster were the guests in Dunkirk of Hiram Risley, President of the Buffalo and State Line Railroad Company. The other of the invited guests slept on steamboats in the harbor. Mr. Webster had intended to accompany the President to Buffalo on the steamer "Michigan," but was detained in Dunkirk until the next day, owing to the illness of his son Fletcher. The *New York Herald*, in commenting on the excursion editorially, said: "The unreported speeches, sayings, talk, and incidents of the tour to Dunkirk would reveal a drama of the deepest interest to the benighted world around. One of the most impressive facts which has struck us in reading the reports was the presence of so many Presidential candidates in the trains, at one time no less than six. Three started from New York—Fillmore, Crittenden, Webster. Three jumped up behind, like naughty boys on the way—Douglas, Seward, and Marcy. There were at least a dozen candidates for Vice-President along."

President Fillmore and his party continued their trip on the 16th to Buffalo by way of Lake Erie,

Daniel Webster excepted. President Loder and the excursionists returned as they had come, and the journey home was greeted with almost as much of an ovation along the line as the journey out. At Elmira the trains again remained over night, and next morning were made into one for the rest of the return trip.

The dream of nearly a score of years was realized at last. The ocean was united with the lakes. Could they who had brought about this consummation, through toil, tribulation, and sore trial, but have gazed into the future of the railroad thus quickened through them, and by them confidently to be consigned to posterity as a gift to it to be cherished and preserved, would they not have been moved rather to lamentation than rejoicing? For would not the vision have been that they had reared not a proud and lasting monument to the honor of themselves and the confidence of the people, but rather had builded only the foundation for a structure where fraud, corruption, speculation, and robbery were to dwell and riot for many a year?

Immediately after the opening of the railroad to Dunkirk, President Loder, broken in health, and feeling that he had performed fully the duty he had undertaken to perform, six years before, tendered his resignation. He was in the western part of the State when this communication was received by the Directors. The result of his determination to retire is better explained in the following extract from a private letter of his, under date of June 24, 1851:

In relation to my resignation I would remark that, when I returned from the West, I was met by a committee of seven of the Directors, who *urged, entreated, and pleaded* with me to withdraw my resignation, anticipating scarcely less than ruin from my withdrawal at the present time—threatening to resign themselves, etc.—offering to afford me any amount of help that I wanted, allowing me to go away as long as I thought best, etc., etc., and pressed the matter, until I was *compelled* to withdraw my resignation to prevent a sort of break-up. This unanimous burst of feeling in expression of confidence is certainly gratifying, but brings with it a load of responsibility and labor anything but agreeable. I am now engaged in organizing the running and working of the road, and hope, when that is accomplished, that it will move on without my constant attention.

#### IV. RISING CLOUDS.

As early as 1834, during the debate in the New York Assembly on the bill proposing to extend the aid of the State to the New York and Erie Railroad Company, Assemblyman Wilkinson, in his speech on the subject, declared that the natural eastern terminus of the railroad was at a point in New Jersey, opposite New York City, instead of on the bank of the Hudson, twenty-five miles north of the metropolis, and that such would eventually be its terminus. There were some long-headed men in New Jersey who held to the same belief, and who were not by any means timid in practically demonstrating the fact. There was but one feasible way that the New York and Erie Railroad could get to a point in New Jersey, opposite New York City. That was south from Suffern, through the Paramus Valley to Paterson, and thence to Jersey City, and that route was taken in possession by certain shrewd and far-seeing Jersey men by the obtaining of charters for two railroads, one from Jersey City to Paterson, to be known as the Paterson and Hudson River Railroad, and one from Paterson to the State line at Suffern, to be known as the Ramapo and Paterson Railroad. The former was built and opened as early as 1836, but the latter was left lying in embryo until the fact became apparent that the New York and Erie Railroad was in a fair way to be completed. The Ramapo and Paterson Railroad was then built. It was put in operation in 1848, its terminus being only a short distance from the New York and Erie Railroad at Suffern.

Owing to the provisions of the charter of the Erie, the railroad was not permitted to connect with any railroad running into another State. For more than a year the Company ignored the existence of the new railroad. It could not, however, prevent passengers from quitting its trains at Suffern and continuing their journey to New York by the Ramapo and Paterson and the Paterson and Hudson River Railroads, or from coming from New York by that route and taking the Erie cars at Suffern. The new route saved twenty miles of distance, and from an hour to an hour and a half in time, and a

majority of people traveling over the Erie patronized it. The Erie not only ignored the New Jersey railroads, but discriminated against them by making the fare between Suffern and Geneva, both ways, the same as the regular fare was between New York and Geneva—this latter point being then the western terminus of travel to Buffalo by the Erie, through the connection at Elmira with the Chemung Railroad, which the New York and Erie Railroad Company had leased and was operating. But passengers paid the extra fare between New York and Suffern by way of the New Jersey lines to avoid the tardiness and annoyances of the Piermont and Hudson River route.

This discrimination against the New Jersey independent railroads continued even after the passage by the New York Legislature of the General Railroad Bill, which became a law in 1850, and which compelled all railroads of the State to provide connecting railroads every facility for the proper interchange of business. The Erie provided the facilities for the New Jersey route, but did not change its rate of fare.

Under this new law the Union Railroad Company was formed, with authority to build and maintain a railroad from the terminus of the Ramapo and Paterson Railroad to the Erie depot at Suffern, thus giving close connection between the two roads. Still the New York and Erie Railroad Company strove to compete with the new connection by increasing the speed of its passenger trains and steamboats, but all to no purpose. Passengers for New York got off the Erie trains at Suffern, and those traveling westward bought tickets at New York over the New Jersey line to Suffern, instead of by the Erie steamboats to Piermont. The New York and Erie Railroad Company was at last forced to recognize the decided preference of the public for a shorter and more direct and certain route to New York than by the way of Piermont, and to acknowledge the fact that its railroad had become unpopular with the traveling public through the Company's persistence in trying to force patronage over a roundabout route, and so, on February 10, 1851, it obtained control of the Paterson and Ramapo Railroad and the Paterson and Hudson River Railroad by leasing each line dur-

ing the continuance of its charter, which was perpetual, with the right to change the roads to the six-foot gauge, or to make any other change that would most benefit the New York and Erie Railroad.

This aroused the people along the line of the Erie between Suffern and Piermont to a state of great excitement—especially certain prominent citizens of Piermont, who knew what a damaging effect the diversion of the traffic of the railroad from Piermont would have on the property interests of that place. A meeting of citizens was called at Piermont, and among others the following resolution was adopted:

*Resolved*, that this recent act of the New York and Erie Railroad Company, in diverting the travel and business from the County of Rockland, and in transferring the terminus of their road from the State of New York to the State of New Jersey, contrary to the spirit and intentions of their charter and the laws of the State, merits and should receive the reprobation of all citizens of this State.

The movers in this effort to keep the business of the railroad to the roundabout and inconvenient route by the way of Piermont and the Hudson River based their assertions of the wrong and injustice of the change on the allegation that the people of Rockland County had made large donations of land for the terminal facilities of the road at Piermont, and contributions of money toward the building of the road. This was mainly land under water, the right to improve which for commercial purposes was granted by the State to Eleazar Lord and others, without cost to them. Up to 1845 the Railroad Company had expended \$200,000 in making the submerged lands available, and up to 1851 had used \$100,000 more in completing the work. The material used in the filling in of the necessary area, as the management of the New York and Erie Railroad Company charged in 1851, had been purchased at a large price from Eleazar Lord, who, with others, owned all the abutting land, making the cost of the land, it was claimed, more than its real value could have been for any other purpose. A suit had been brought by Eleazar Lord to recover a large portion of the land thus made by the Company, and thirty feet of the long pier. The Company was then engaged in dredging in front of the pier to make it better available for its business, and an injunction

was issued in that suit restraining it from further work there, pending the result of the litigation.

The Piermont meeting resulted in the sending of a petition to the Legislature praying for the passage of an act prohibiting the New York and Erie Railroad Company from making any further arrangement by which any of its trains should be discontinued between Suffern and Piermont, the fact being apparent that the New Jersey railroads would naturally become, in the no distant future, virtually a part of the New York and Erie Railroad. The Legislature appointed a committee to investigate the merits of the controversy, the result of which was a report against approving of the petition of the Rockland County people, but favoring a bill prohibiting the New York and Erie Railroad Company from running any of its freight trains through New Jersey. The management of the Company gave every assurance that it was not its intention to disturb the arrangement for the transportation of freight, with the termini of that business at Piermont and Newburgh, because it could be done cheaper in that way; but the Secretary, Nathaniel Marsh, at the same time announced that "there was no doubt that the time would come when the traffic of the road would be so great that it could not be accommodated either at Newburgh or Piermont, and that when that time came it would be in vain for directors or legislators to attempt to withstand the demands of the public, for the cheapest and most convenient route would be found and adopted." The bill of prohibition was not passed; the Piermont litigation was decided in favor of the Company; and the attempt to force it to continue the running of its passenger trains over a route, the delays and annoyances of which passengers insisted on avoiding by leaving the Erie cars to take those of another line, came to the only end that common sense and the best interests of the Company could have foreseen.

Although the railroad, after a long struggle, was continuous at last between the Hudson River and Lake Erie, so much haste had been made in doing the work necessary to get the connection complete within the legislative limit, that much of the road, it may be said, was only technically a railroad. A

large sum of money and months of work were yet necessary to put the track and roadbed in such shape that traffic could be entrusted regularly upon the line with safety and profit. This was particularly the case on the Western Division. It must be borne in mind that the railroad had been doing active business on section after section of the line during all the time the struggle to complete the road was going on. The first section was put in operation from New York to Goshen in September, 1841 (including the ferry from New York to Piermont as part of the system); to Middletown in June, 1843; to Port Jervis in January, 1848; to Binghamton in January, 1849; to Owego in June, 1849; to Elmira in October, 1849; to Hornellsville in September, 1850. The Newburgh Branch was opened in 1850, and the main line had connection with Buffalo by way of the Chemung Railroad from Elmira to the head of Seneca Lake, by steamboat on that lake to Geneva, thence by the Canandaigua and Buffalo Railroad. The earnings of the railroad, according to the reports of the Company, were increasing every year, and showed a promising excess over expenses. They were absorbed, however, by road repairs, interest payments, and other obligations.

The railroad, including sixty miles of double track, wharves, turnouts, and sidings, locomotives, cars, steamboats, and stations, had cost \$23,500,000. Exclusive of the rolling stock and other property, the cost of the railroad was \$43,333 per mile, or six times the estimate that Judge Wright and his aids, Seymour and Ellet, had decided, in 1834, was a "liberal one" to place the cost at. But the actual cost of the road was low, for no line of railroad ever built up to that time had greater physical difficulties to overcome than this one, encountered. The cost exceeded the estimate made by the Directors in their report for the year 1850 by \$3,080,000.

In the first place, the engineers' report to the Company of the estimated cost of the railroad and right of way between Hornellsville and Dunkirk was \$1,353,368 less than the actual cost was found to be. The locomotives and cars exceeded their estimated cost by half a million dollars; unexpected expense in terminal buildings, wharves, fences (of which latter 300 miles were built by the Company along its

tracks in 1851), and a subscription of \$250,000 to the Buffalo and State Line Railroad Company to secure connection from Dunkirk to Erie, increased the expenses. Added to these, the Company, in order to get the road through in time, was obliged to "incur increased expenses in doing the work day and night, amid frost and snow, and to assume work contractors failed in performing, and in transportation of materials for the superstructure—doing in one year an amount of work no other railroad company had ever accomplished in less than between two and three years." Yet, large as the cost of the railroad seemed, it was not above the average of that of railroads that had been built in other States, and less than the average cost of many of the important railroads of New York State. All this the Directors assured the stockholders in their annual report after the railroad was in operation between the Hudson and Lake Erie, and it was undoubtedly the truth. If any interested parties to the matter had doubts about the economy of the management and the genuineness of their professions, a dividend of four per cent. on the earnings of the road for the last six months of 1851, which was declared earned, and payable January 13, 1852, more than likely changed the minds of such doubters. The receipts for the first six months of the railroad's through business were \$1,755,285, the earnings of the month of December being estimated at \$300,000. The expenses of operating the road were \$738,656, and of the Lake Erie steamers used in the Western trade, \$90,000. Other expenses were \$9,600, making a total of \$926,629. This left a net revenue of \$917,029, deducting from which the interest charges due on the Company's debt, amounting to \$604,722, the Directors had \$312,307 surplus, out of which they paid the first actual dividend the stockholders of the New York and Erie Railroad had received, previous payments on earnings of the incomplete railroad being classed as interest.

Since the opening of the railroad to Dunkirk there had been added to it, as lateral roads or feeders, the Canandaigua and Corning Railroad, from Elmira to Geneva; the Lackawanna and Western Railroad, connecting at Great Bend, and extending to Scranton; the Buffalo and State Line Railroad,

connecting at Dunkirk. There were then (December, 1851) under way the Buffalo and New York City Railroad, from Buffalo to Hornellsville, now part of the Buffalo Division, and the Cohocton Valley Railroad, now the Rochester Division. At the beginning of 1852 the financial condition of the Company was: Bonded debt, \$14,000,000; stock, \$6,000,000; floating debt, \$3,080,000—a total of \$23,080,000. The Company's assets were 525 miles of railroad, which had cost \$20,150,163.56; 132 locomotives, \$1,118,152.26; seventy-two passenger cars, \$178,290.84; 1,505 freight and emigrant cars, \$864,986.44; four barges and two steamboats, \$101,141; two machine shops and contents, \$195,381.01; the Duane Street pier, \$10,426.69; office building and depot at Duane and Reade Streets, \$80,677.37; wood, \$197,824; material on hand, telegraph line, cash, and bills due, \$170,000; water stations along the line, \$511,872.83; stock in the Buffalo and State Line Railroad Company, \$250,000—total, \$23,787,916.01. The circumstances that led to the subscribing for the stock in the Buffalo and State Line Railroad Company were as follows: At the beginning of 1851 measures were in progress by persons interested in the New York and Erie Railroad to build an independent line of railroad from Dunkirk to the line of Pennsylvania, to prevent the diversion of the trade of the West to the Central Railroad by way of the Buffalo and State Line Railroad. This difficulty in the way of rivalry was subsequently compromised, and the Erie and the Central joined in building a neutral railroad to subserve the interests of both, and for that purpose the New York and Erie Railroad Company subscribed and paid \$250,000.

The double track was mainly on the Eastern end of the road. In their annual report for 1851 the Directors announced that, for the purpose of paying the floating debt, and to aid in building 100 miles of double track from Great Bend westward, the Company proposed to issue \$6,000,000 of bonds, payable in ten years (the remaining unissued stock, \$4,500,000, being as yet unavailable), convertible into stock, and bearing seven per cent. interest. This track, it was estimated, could be put down for \$10,000 per mile, and the Directors declared it was imperatively required by the increasing business of the

railroad. "A sufficient amount of the capital stock," they said, "can be made available for the immediate completion of the double track. The security for payment of all the Company's obligations, and all the money they propose to borrow, is ample and undisputable."

Investors must have been of the same mind, for \$3,000,000 of these convertible bonds were sold on January 8, 1852, at prices ranging from eighty-five to eighty-eight, and there were bids for \$8,000,000. Subsequently \$3,000,000 more were sold. Of the first issue Homer Ramsdell took \$40,000, and Powell, Ramsdell & Co., \$100,000. Thus \$6,000,000 more was added to the already heavy bonded debt of the Company. It was but the continuance of that policy of impatience that could not wait for actual results in the railroad's traffic, but must discount their future, estimating their value without sufficient recognition of the effects upon them of possible business depression, crop failures, unfavorable seasons, and the competition of rival lines—a policy, added to that of submitting to "shaves" of from ten to fifteen per cent. on the par value of the securities placed on the market, securities that quickly brought par and even premium in the hands of the shrewd purchasers, that led the Erie, step by step, into the disastrous entanglements that have harassed the misused property for a generation and a half, and made it the football in the most disreputable games Wall Street stock-jobbers and wreckers have set going within that time.

The evils of this financial policy became more and more apparent as time passed, and the policy of the management in operating the railroad was far from popularizing it with the traveling or shipping public. Local freight rates were increased to such an extent, and certain towns along the line were so palpably discriminated against in the way of accommodations for both passengers and freight, that indignation meetings were called at various localities, protesting

against the methods of the Company, and advocating appeals for legislative relief. Although thousands and thousands of dollars had been raised every year since 1849, to be used for the betterment of the road, its condition steadily grew worse instead of better. The roadbed and track were in such a deplorable condition in 1852 that the railroad became notorious for the insecurity of travel upon it, and that year passed into Erie history as the year of many accidents. There were no less than thirty serious accidents on the road that year, sixteen of them within two months, on the Delaware Division alone. Some of these were due to carelessness in the running of trains, but a majority of them was caused by the breaking of rails, which were brittle cast iron, and badly worn, especially on the Delaware Division. These mishaps were attended not only with great financial loss to the Company, but with sacrifice of life.

In spite of all these obstacles to the winning of business for the road, the earnings increased, showing for 1852 the favorable amount of \$3,340,150. In that year the Erie was provided with a direct Buffalo connection by the opening of the Buffalo and New York City Railroad from the former place to Hornellsville. The tracks of the Ramapo and Paterson and Paterson and Hudson River Railroads were changed to the six-foot gauge in the winter of 1852-53, so that the connection between Jersey City and Dunkirk became an unbroken line of railroad. But while the earnings as reported showed a large excess over expenses, for some reason the Company stood in the anomalous position of making money and yet steadily falling behind in its expense account. Wall Street was playing with its shares, and it was not a reassuring fact to the public that among those who were speculators in the Erie stock was the Company's own Treasurer, who owned or controlled 25,000 of its shares.

## CHAPTER XI.

### ADMINISTRATION OF HOMER RAMSDELL—1853 TO 1857.

Ramsdell Succeeds President Loder — Charles Minot Retires, and D. C. McCallum Comes in as General Superintendent and Precipitates a Serious Strike on the Railroad — More Hard Lines for Erie — Bankruptcy Imminent, but Daniel Drew and Others Come to the Rescue — An Investigation and the Sinking Fund — A Beautiful Erie Rainbow — Ramsdell's Master Stroke in the Matter of the Long Dock Franchises and Land for Terminal Facilities — Father of the Bergen Tunnel — Another Strike, Disastrous in the Extreme — A Ruinous Rate War, and the Erie in a Crisis — Ramsdell Retires and Charles Moran comes in.

THE discontent among the stockholders, who saw the earnings that they thought should be turned into dividends for themselves absorbed by interest on bonds or by maintaining and improving a far from complete railroad, began to find such expression that a change of management became inevitable, and at the annual election of 1853 new men came into the Directory, and Benjamin Loder, who had virtually worn himself out in the service of the Company, gladly retired as head of the enterprise he had done so much for, and was succeeded by Homer Ramsdell, of Newburgh.

The earnings of the railroad for 1853 were \$4,318,762, an increase of \$1,022,812 over those of the previous year. The stock ruled in the street at about eighty, and the bonds were at and above par, the long-time, or seventy-year 7 per cent. convertible bonds, being especially strong and in demand. The year 1853 was not distinguished for any exciting episodes in the management of the Company or of the railroad, and the condition of the latter was but little bettered. Freight rates were made still higher, and discrimination against various towns were persisted in, so that the Company continued to be extremely unpopular along the line.

But while the year 1853 was not particularly eventful in incidents due directly to the Erie management, the business and plans of the Company were greatly disturbed and interfered with toward the close of the year, and for months in 1854, by the bitter, bloody, and prolonged strife known at the time as the "War of the Gauges," which arose from a determination of the people of Erie, Pa., to prevent all communication by rail between the New

York and Erie Railroad, or the New York Central Railroad, and the desired connection at the Ohio line with the railroad there (now the Lake Shore), unless all freight should break bulk at Erie and be reloaded there, and all passengers change cars at that place. In other words, the people of Erie refused to permit the building of a railroad through the place or near it that did not have a different gauge from either the Erie track or the New York Central track, thus forcing the breaking of bulk at Erie so that the work would add to the resources of the place. This war was accompanied by much discomfort and hardship to travelers and great loss and damage to freight, and consequent misfortune to the New York and Erie Railroad Company. The full story of this most extraordinary opposition to easy and quick communication between the East and West is told in detail elsewhere in this volume.

The railroad business was also disorganized, and its profits greatly reduced in 1854 by a war of rates between the New York Central and the Erie. In the winter of that year a convention of railroad managers was held at Albany, at which it was agreed between the Erie and the Central that their rates for passenger and freight from Buffalo to New York, and vice versa, should be uniform. In the following May the Central, charging that the Erie had been cutting passenger rates between those points, over its Buffalo and New York City Railroad connection (the present Buffalo Division of the Erie), made a heavy reduction in rates over its own lines. The rate that had been agreed upon was \$9 for through passengers. The Central made a rate of \$7.50 from Buffalo to New York, and put on a second class



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train to connect with Hudson River boats at Albany, for which the rate was \$4. These reductions forced the Erie to a similar cut, and the consequent loss was great. In August, however, at a general railroad convention held at New York, a restoration of the regular rate was effected.

Charles Minot, who had come in as General Superintendent of the railroad in 1850, was called upon by the Directors in May, 1854, to put in force a code of rules for the government of employees which had been drafted by D. C. McCallum, then Superintendent of the Susquehanna Division. Superintendent Minot read the rules, and reported that he could not approve of all of them, as they were not capable of application to the successful operation of the railroad. The Directors informed him that the rules must be adopted and enforced. Superintendent Minot, at any rate, was not in favor with the ruling influences in the Board, Homer Ramsdell and Daniel Drew, although he was exceedingly popular with the employees and along the line of the railroad, he having more than once protested against the discriminations of the Board against Goshen and other towns in the running of trains and the arrangement of freight charges. Minot refused to enforce the new rules and resigned, and was succeeded by D. C. McCallum, who inaugurated a system of management so strict, and demanding such discipline among employees, that it soon gave rise to discontent and open acts of revolt, especially among engineers and firemen. The first trouble with employees the Company had ever had came about in June, 1854, only one month after McCallum became Superintendent. The engineers objected to two of his rules, went on strike, and gained their point, after traffic had been practically suspended for ten days.

The summer of 1854 was one of great business depression. Banks were cautious in extending accommodation, and individuals or corporations that had obligations the maturity of which was imminent, and which could not be met except by the obtaining of temporary loans, had a dismal future. It was known in August of 1854 that the New York and Erie Railroad Company was in a situation such as that. The semi-annual interest on its \$3,000,000 second mortgage bonds and on its \$5,200,000 '83

bonds, amounting to \$337,000, was to fall due on September 1st. The Company also had bills to the amount of \$600,000 due in that month, and \$700,000 in October. More than that, the five-year income bonds, issued in 1850 for \$3,500,000, were to mature in February, 1855. But this was a contingency for future apprehension, and while its possibilities had a disheartening effect on Erie affairs, it was the pressing immediate needs of the Company that threatened and harassed the management. Nothing but a substantial temporary loan could tide it over its difficulties. Then, in this emergency, Henry Sheldon, one of the leading Directors, and a prominent commission merchant, was forced to make an assignment by the stringency of the times. Sheldon's failure was followed by that of two other influential members of the Board, Edward C. Weeks and Gouverneur Morris.

The Company succeeded in borrowing \$350,000 on acceptances endorsed by various members of the Board, and secured by hypothecation of bonds of 1883. Subsequently, on August 29, 1854, Cornelius Vanderbilt endorsed the Erie's paper for \$400,000, to secure him in which a mortgage on the railroad and its franchises and on 180 locomotives, 2,975 cars, and upon other chattels of the Company, was executed. August 31st Daniel Drew, then and for years afterward a power in the financial world, and who was a member of the Erie Board of Directors, endorsed for the Company to the amount of over \$980,000, and took a mortgage on all the property the Company had left that could be mortgaged, which mortgage was to cover future endorsements, the whole not to exceed \$1,000,000. Thus while the earnings of the railroad were largely above its expenses, the Company was forced, by the crowding of such heavy payments at this time of taut purse-strings and want of confidence, to pledge all its available assets to meet its necessities, and its stock and bonds were lamentably depressed in consequence. Erie shares had fallen from eighty to forty-three. The bonds had also declined ten to fifteen per cent. On September 4, 1854, President Ramsdell, in response to public demands, published a statement. It simply expressed his regrets for the situation, and announced that the surplus earnings

of the road from October 1, 1853, to June 30, 1854, which were \$616,521, had been used for the requirements of the road, among which was the expense of laying second track.

Late in the summer of 1854 the fact became public that there were discrepancies in the report made in 1852 by the Treasurer of the Company of the floating debt and the freight and passenger earnings. This added to the depression in Erie affairs, and September 14th the Directors ordered an investigation of the matter to be made. James Brown, Thomas Tileston, D. D. Williamson, John E. Williams, Caleb O. Halsted, David Hoadley, John H. Gourlie, and J. C. Bancroft Davis were selected a committee to make the investigation. Their instructions were to examine into all the books, papers, accounts, and transactions of the Company. It was expected that the committee's report would be rendered before the annual election in October, but it was not. That election of Erie Directors caused more than usual stir in Wall Street.

Two tickets were in the field, one made up by the friends of the existing Board, and one by stockholders who thought that the policy of the Company required a change in management. The regular ticket contained the names of Homer Ramsdell, Samuel Marsh, William E. Dodge, Shepherd Knapp, Cornelius Smith, Marshall O. Roberts, Charles M. Leupp, Nelson Robinson, Daniel Drew, John Arnot, Ambrose S. Murray, George F. Tallman, Don Alonzo Cushman, William B. Skidmore, Louis Von Hoffman, Charles Moran, and Ralph Mead. The independent ticket replaced the names of Messrs. Roberts, Robinson, and Smith by those of John Compton, James Van Nostrand, Samuel Willets, and Uriah Hendricks. There were four vacancies in the old Board caused by the resignation of Henry Sheldon, Gouverneur Morris, Alanson Robinson, and Edward C. Weeks. The names of Moran, Von Hoffman, Skidmore, and Cushman were new on both tickets, all the rest on the regular ticket being those of members of the existing Board. The regular ticket was elected by 35,000 votes out of 44,000 cast. October 12th the Board elected the old officers. The election of Charles Moran, who was a broker, and Louis Von Hoffman as Directors

was in recognition of the interests of foreign creditors of the Company, Moran having placed a large amount of the Company's unsecured, or income, bonds in Switzerland and other parts of Europe.

The report of the examining committee was not made until October 21st, the election having been held on the 10th of that month. The report was a voluminous and exhaustive analysis of the Company's financial and physical condition. The committee found that the floating debt as reported in 1852 was understated by more than \$1,000,000. The actual amount was \$2,384,406.83. The reported amount was \$1,323,053.55. The earnings had been reported as \$3,537,766.53, while they were in fact but \$3,319,906.14. "We leave your body," said the committee in its report to the Board, "to determine the reasons for these erroneous statements, and to whom they are to be charged. We can see no justification for them. It appears in evidence before us that the knowledge of them came to the then Board of Directors a short time after the report had been sent to Albany by the Treasurer, and that the subject was investigated by their orders. We think they erred in not frankly exposing them. Since September, 1852, your Board has had to contend against the effects of a dividend when not fully earned and the representation of your floating debt at far below its actual amount. A development like this, at the outset, led us to regard all after transactions with suspicion, and to scrutinize them rigidly. The results have been highly favorable to the Company." While approving the existing condition and methods of the management, the committee nevertheless chided it, and made suggestions as follows: "The New York and Erie Railroad now earns annually about as large a sum as was originally proposed to be expended in its construction. \* \* \* When we see what it has already done, while new, incumbered, and without perfect connections, we have no difficulty in agreeing that it is destined to do decidedly more with experience, without incumbrance to the traffic, and with connections established. At the same time we cannot shut our eyes to the financial condition. We are aware of the difficulties with which your Board has had to contend, and bear willing testimony to your

arduous and untiring exertions to surmount them. But we think you will agree with us that the recent critical situation of the Company has demonstrated the imprudence of anticipating earnings so largely, and calls for frankness and judicious management on the part of the Directors. If the public can be assured that the construction account is closed, and a scheme can be devised for retiring the floating debt—making, at the same time, prospective provisions for meeting the funded—we see nothing to prevent this road from becoming one of the most valuable railway projects in the world. To insure these results we recommend: 1. That the construction account be closed. 2. An increase in your tariff price of freight and passengers, both way and through. We believe that an immediate judicious addition to the present rate is not only due to the stockholders, but will essentially conduce to the welfare of the Company. 3. That no dividends be paid until the floating debt is disposed of. 4. That a sinking fund be established, to be paid monthly into the hands of trustees, independent of the Company. 5. That the President and Vice-President of the Company be required to give their whole time and undivided attention to the duties of their respective offices. We think this is indispensable to the proper management of so large a corporation."

Referring to the manner in which the Company had raised money to tide itself over impending trouble, the committee said that "the measures adopted gave the necessary temporary relief, and it is the opinion of your financial officers that such an emergency cannot occur again. We understand that the contracts for rolling stock which increased the present heavy floating debt are either nearly completed or are cancelled. No new contracts have been made since March last. Of the seventy-five engines contracted for to meet the necessities of the road, the contracts for twenty-two have been cancelled. Sixteen remain to be delivered. This wise management has checked the increase in floating debt, and if this policy is persisted in, the affairs of the Company will soon be put on a sounder basis. It is better to pause where you are until additions can be made at a less sacrifice of the means and credit of the Company."

The Board of Directors acted immediately on the suggestion of the examining committee, and a special finance committee, consisting of Charles Moran, Shepherd Knapp, William E. Dodge, Nelson Robinson, and George F. Tallman, was appointed to formulate a plan to help the Company over its difficulties. October 21st the committee reported a plan for establishing a sinking fund by placing an issue of \$4,000,000 7 per cent. twenty-year bonds, pledging the Company to pay monthly from March 1, 1855, \$35,000 into hands of the trustees to be invested, as well as the accruing interest on the instalments, in the bonds of the new issue as long as they could be purchased at or below par, whenever such purchases could not be made at that rate the monthly payments and the accruing interest to be invested in any bond of the Company that could be purchased at or below par, and if such purchases could not be made at or below par, the monthly payments and all accruing interest to be invested in such bonds of the Company as could be purchased at the lowest rate. All bonds thus purchased were to be cancelled and held by the sinking fund, the interest to be collected, however, until the monthly payments and interest and the conversion of convertible bonds into stock should have reduced the entire debt of the Company to \$20,000,000, when the monthly payments should cease and the trust be closed. The declaration was made that this loan would pay the income bonds redeemable on February 1, 1855, "and the entire present floating debt and the monthly payment of the sinking fund." On the recommendation of this special finance committee the following were adopted by the Board of Directors:

*Whereas*, The period has arrived when it is expedient and necessary to close the Construction Account of this company, to be re-opened only when the imperative necessity of the increasing traffic on the Road, and the state of the finances of the company will render it perfectly evident that it is proper and justifiable to re-open it, so as to increase the present capacity of the Road, therefore

*Resolved*, That any and all future expenditures beyond the amount to be derived from the proceeds of the new loan, after reimbursing the Income Bonds due 1st February next, be charged to Transportation Expenses.

*Resolved*, That as often as the Bonds purchased by the Sinking Fund amount to ten per cent. on the Capital Stock, this company will, upon receiving due authority from the Legis-

lature of the State, declare at the next semi-annual dividend day a Stock dividend of ten per cent.

*Resolved*, That these resolutions be published in the daily papers, so that the public have cognizance of the future policy of this company.

According to the statement of President Ramsdell, announcing the approval of the Directors of the sinking fund plan (October 23, 1854), the debt of the Company was then \$34,875,000; of the amount, \$10,024,000 being capital stock. The gross earnings of the railroad for the coming year were estimated at \$6,000,000, and the expenses were estimated at \$5,459,570, of which \$1,739,570 was interest on the bonded debt, \$3,300,000 operating expenses, and \$420,000 for the sinking fund, leaving "net revenue equal to over five per cent. on stock applicable to cash dividends and contingencies." The statement declared that "in the opinion of the Superintendent, Mr. McCallum, the road in its present position and with its present equipment, can earn \$8,000,000."

The loan was placed, and in his report to the stockholders for 1855, President Ramsdell declared that "the sacrifices made by the Company to meet promptly all its engagements have been wholly repaid. The credit of the Company is entirely re-established, all the endorsed acceptances have been paid, whilst the new loan, negotiated by the unwearied, gratuitous exertions of the Directors, and the generous aid and confidence of our own and foreign capitalists and merchants, enabled the Company to pay at maturity the entire balance of the income bonds, and to reduce the floating debt to an amount so moderate that all further sacrifices have become unnecessary."

The entire report was optimistic to a degree, and the sinking fund established was confidently relied upon to "enhance the value of the Company's stock and favorably effect the future renewal of the loans as they may mature," although it at present prevented cash dividends, notwithstanding they were earned. Amicable relations had been restored with competing lines. In conformity with the terms of the sinking fund bonds, the report said that the Company would declare a dividend of ten per cent. in stock (the law authorizing the same being first

obtained) in April, 1857; and the following was offered as an approximate estimate of the amount which would be accumulated in the sinking fund on the respective dividend days, until the debt of the Company should be reduced to \$20,000,000:

#### SINKING FUND.

1855.	September 30.....	\$ 322,000
1856.	April 1 estimated.....	580,000
1856.	October 1 " .....	834,000
1857.	April 1 " .....	1,065,000—1st Dividend.
1857.	October 1 " .....	1,333,000
1858.	April 1 " .....	1,609,000
1858.	October 1 " .....	1,894,000
1859.	April 1 " .....	2,188,000—2d Dividend.
1859.	October 1 " .....	2,491,000
1860.	April 1 " .....	2,804,000
1860.	October 1 " .....	3,127,000—3d Dividend.
1861.	April 1 " .....	3,470,000
1861.	October 1 " .....	3,804,000
1862.	April 1 " .....	4,159,000—4th Dividend.
1862.	October 1 " .....	4,525,000
1863.	April 1 " .....	4,906,000—5th Dividend.

Funded Debt, Feb. 29, 1856.....\$24,891,000

Sinking Fund, April 1, 1863..... 4,906,000

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Estimated Funded Debt, April 1, 1863..\$19,985,000

The stock and bondholders of Erie have been started on the chase for radiant rainbows many a time in the career of the Company, but never have they had so magnificent a bow of promise displayed before them to follow and delight in as this one of those buoyant days of 1856. How it paled and disappeared and left the darkest of horizons where it had been, will develop with this chronicle. The legislation required authorizing the declaring and distributing a stock dividend, as provided for in the plan of the sinking fund, was obtained at the session of the New York Legislature for 1857, and on April 8th of that year the Directors met and declared a stock dividend of ten per cent., payable April 27th, on the accumulation of the sinking fund, which then amounted to \$1,300,000, or nearly \$250,000 more than President Ramsdell's estimate. The Directors also resolved "to make the dividend on this fund hereafter annually, when the amount divided will be 5 per cent." The renewal of cash dividends, however, was postponed for an indefinite period. And with that one dividend the rainbow began to fade.

With all the drawbacks the railroad had encountered, its business was steadily increasing. The terminal facilities at Jersey City were, nevertheless, no greater than they had been for the transaction of the business of the Paterson and Hudson River Railroad before it was leased to the New York and Erie Railroad Company, and it was a railroad but sixteen miles long, with only the business of Paterson and a few intermediate villages to handle. All of the Erie's second class passengers and emigrants, and a large portion of its fast freight and express business, had to be handled by the way of Piermont and Newburgh. Live stock trains, which were the carriers of one of the chief sources of the railroad's traffic, ran only to Bergen, three miles from the Jersey City terminus.

Homer Ramsdell, being of large experience in transportation affairs, had long foreseen the necessity of more room at the eastern end of the road for greater facility and economy in handling the New York and Erie Railroad's business, not only for that time but for future exigencies. In the winter of 1855, through his influence, two charters were obtained from the New Jersey Legislature—one empowering the New York and Erie Railroad Company to purchase land in New Jersey and to complete the Paterson and Hudson River Railroad, and the other incorporating the Long Dock Company, with the right to construct a railroad to connect with any other railroad then constructed, or organized to be constructed according to law, and granting it certain ferry privileges. Under this authority, Homer Ramsdell quietly secured, at a low figure, 212 acres of land, besides water frontage, and land under water half a mile out in the Hudson River. The 212 acres were then unoccupied ground between Jersey City and Hoboken, which is now the property covered by the immense Erie Railroad yards, depots, ferry buildings, coal docks, freight houses, cattle yards, oil storage houses, etc., at Jersey City, that city having grown up and around the property since the purchase in 1855. No one in the Board of Directors knew that Mr. Ramsdell was acquiring this immense property except Charles Moran, as it was thought best for the interests of the Company that the matter should not be talked about. The

property was purchased in the name of Mr. Ramsdell.

The Long Dock Company was formed, and, under an agreement with the New York and Erie Railroad Company as to subsequent leases and advances, began the improvement of the property and the construction of necessary buildings, docks, and ferry facilities. The terminus of the Paterson and Hudson River Railroad was where the Pennsylvania Railroad's Jersey City depot is now, and a ferry continued the route thence to Duane Street, New York, where the Erie docks and depots were. To reach this terminus the railroad ran to the western extremity of the Bergen Hill, and through a deep cut over the track of the New Jersey Railroad. The proposed new terminus would take the Erie a mile or more further up the North River front. This was a long and roundabout way, and to shorten it there was in the plan of the Erie's terminal facilities the tunneling of Bergen Hill, an engineering exploit of formidable proportions, and one to be attended with great cost, but yet warranted by the considerable saving in time and distance, and thus in money, which it promised to the Company on its future business.

The year of 1855 was one of short crops throughout the country, and one not of general activity in commercial affairs, but the New York and Erie Railroad earned \$833,418.87 more than its working expenses and interest on its funded and floating debt, or  $8\frac{1}{3}$  per cent. on its capital stock. This surplus was used for improvements. The notable event in the history of the railroad during 1856 was the great strike of the engineers, the second on the road. Like its predecessor of 1854, it was caused by opposition to the severe rules of General Superintendent McCallum. This strike began in October, after the end of the fiscal year, and the disastrous effect it had on the railroad's business did not appear in the Directors' report for that year, which showed net earnings to September 30th of \$1,246,712. The sinking fund absorbed \$420,000 of this, and all except \$120,000 of the balance was expended for new railroads, improvements, and lake steamboats. Work on the terminal facilities at Jersey

City was begun in 1856. In June of that year the contract was let to Stanton, Mallory & Co. of Newburgh for putting the tunnel through Bergen Hill. These stupendous operations required the use of large sums of money, and early in 1857 the Erie management was face to face again with financial embarrassment. Erie stock had, in June of that year, depreciated from sixty-three to thirty-three, under the combination of a clique of brokers whose operations were by no means a credit to the Board, because Daniel Drew, an Erie Director, was one of them. The stock reached so low a point that many were afraid to sell it any further, more particularly that as the price fell the stock was gradually bought up by those who had confidence in its value, until it became very scarce—so scarce, that on June 30th the amount standing in the name of Wall Street brokers was less than 7,000 shares out of 110,000 shares constituting the capital, the smallest amount known for seven years.

Added to its other difficulties, the Erie tracks, on the western end of the road and on the Delaware Division, were so badly blockaded by heavy snow-storms in January, 1857, that traffic was disastrously suspended for days at a time during that month. In January, 1857, great ice-floods in the Delaware River destroyed or blockaded miles of track on the Delaware Division, and swept away costly bridges, again crippling the railroad severely, and draining the Company's already scant treasury to repair the disastrous breaks in its transportation line. The same month, the Company being behind in its payments to contractors for work on the Bergen tunnel, the laborers to the number of 700 struck, the strike culminating in a long and bloody riot. In February, bridges that had been destroyed by the January flood and rebuilt were swept away again by another flood. A June flood carried off extensive bridges along the Susquehanna and Western Divisions, and washed away great sections of the track.

Early in June the Company's statement of the business of the road for the six months ending March, 31, 1857, was made. It showed that the expenses, not including the \$210,000 paid into the sinking fund during that period, had exceeded the earnings by more than \$72,000. The decreased business due

to the engineers' strike and the extraordinary cost of that strike, and to the losses by snow blockades and floods during the winter, was given in explanation of this discouraging showing. The most marked falling off in traffic reported was in freight, and the chief increase of expenses declared to be in repair of cars and engines.

Superintendent McCallum had been forced to resign in March, 1857. The engineers' strike had cost the Company upward of \$500,000, and left the road in wretched condition. After the resignation of McCallum the railroad, by order of the Board, March 12, 1857, was reduced from four divisions to two. One, from New York to Susquehanna, with the branches, were placed in charge of Hugh Riddle. Of the other, from Susquehanna to Dunkirk, J. A. Hart was made Superintendent. President Ramsdell acted also in the capacity of General Manager of operations.

The New York Central Railroad Company, unharassed by pressing debts or urgent need of money, had early assumed an aggressive attitude against the Erie, and lost no opportunity of asserting it, in spite of the assurance of President Ramsdell to the stockholders that amicable relations with its rival had been restored to Erie. At a convention of railroad managers held at Buffalo in May, 1857, the representatives of the New York Central insisted that a fast train should be run from Chicago to Dunkirk and Buffalo over the Lake Shore Railroad, and that an Erie express train should connect with it at Dunkirk, and another on the Central at Buffalo, to run through to New York. The Erie people remonstrated, but to no purpose. They were compelled to put on the extra train, although it left Dunkirk only a short time after their regular train from that place. They soon found that the train was losing money for them, and they withdrew it, giving notice at the same time that any passengers bound for New York from the Chicago train who would remain over night at Dunkirk would be carried to New York over the Erie at a reduced rate of fare. The Buffalo and State Line Railroad Company, whose road gave the sole connection the Erie had with trains from the West, refused to honor tickets that

read by the way of the New York and Erie Railroad, and charged double rates to passengers holding such tickets, this in spite of the contract the Erie had with that company to carry its passengers at the same rate it carried the Central's. Besides these troubles, the Erie engineers' strike of 1856 had not only greatly crippled the railroad and interfered with its traffic for many weeks, but a great number of its engineers, the Company stubbornly resisting their claims, had left the road and were scattered about the country on various railroads, spreading unfavorable reports of the condition of the Erie, to its great damage.

Much feeling was excited among the New York and Erie stockholders by the arbitrary conduct of the managers of the Buffalo and State Line Railroad Company in breaking its contract arrangements in regard to ticketing passengers and connecting passenger and freight trains to and from the West, over the Erie. The surprise was the greater from the fact that Daniel Drew, the Treasurer of the New York and Erie Railroad Company, was one of the largest stockholders in the State Line Railroad. The emphatic expression of this feeling impelled Daniel Drew to write this letter:

NEW YORK, June 27, 1857.

*To George Palmer, President B. & S. L. R. R. Co.*

In consequence of having been informed to-day that the Buffalo and State Line Railroad Company have refused to recognize through tickets sold by the New York and Erie Railroad Company in New York, for places West via the former road, and also tickets sold at places West for New York via same road; and that said road exacts the payment of fare from passengers holding such tickets, thereby showing partiality towards certain roads and a hostility to others, which I cannot but regard as being clearly in violation of obligations on the part of the Buffalo and State Line Road assumed by express contract, as they are against sound policy and fair business dealing.

I beg respectfully, as a stockholder in said road, to protest against such policy, and to call on the Board of Directors to conform to that sound and just policy in their official action which those interested in the property they administer have a right to demand at their hands. I will thank you to communicate this letter to that Board.

I am, sir, your obedient servant,

DANIEL DREW.

This letter met with no response, and on July 1st, the position of the Buffalo and State Line Railroad Company toward the New York and Erie remaining unchanged, and the New York Central insisting on

its arbitrary demands, the New York and Erie Railroad Company placed the fare from Buffalo to New York at \$5, and to Boston at \$9. The Erie's Boston connections were the Boston and Bridgeport line of steamboats, and the New York and New Haven Railroad. Besides the reduction in fare, the Erie advertised to transport passengers free from Duane Street to the steamboat docks and the New Haven depot.

In a statement to the stockholders, July 17th, Nathaniel Marsh, Secretary of the Company, giving the history of the difficulty, said: "The Directors regret the necessity for such a measure (reducing the fare). They are advocates of higher fare, fewer trains, slower speed, the abolition of the whole system of paying commissions for procuring passengers and freight, and such other reductions of expenses as will give to railroad property a permanent value; but they cannot consent to transfer the management of your road to those who opposed its construction, and now seek to embarrass its operations, and render it unproductive to the stockholders. The object of the present reduction is to secure the travel that belongs to the road, and when that object is accomplished, and fair treatment is accorded by other roads, prices will at once be restored to the former rate."

Before the New York and Erie Railroad Company had made the reduction in rates, Chauncey Vibbard, General Superintendent of the New York Central Railroad, illustrated the methods of that railroad's management at that day, and its application of them to a rival in misfortune, by distributing broadcast through the country a handbill of which the following is a copy:

#### NEW YORK CENTRAL RAILROAD.

Passengers taking this route can feel assured that they are with careful, experienced engineers, the company, paying well for such, never have been obliged to use firemen, with no experience on account of strikes, endangering life, and never making time, as is the case on the Great Broad Gauge Route.

Passengers should be particular and secure tickets by this route, as it is the only one having a uniform gauge from Cincinnati to Buffalo, thence to New York and Boston, saving several changes of cars and baggage, and the annoyance of missing connections, which occur so often on the New York and Erie route.

This is the only route that can land passengers by cars in

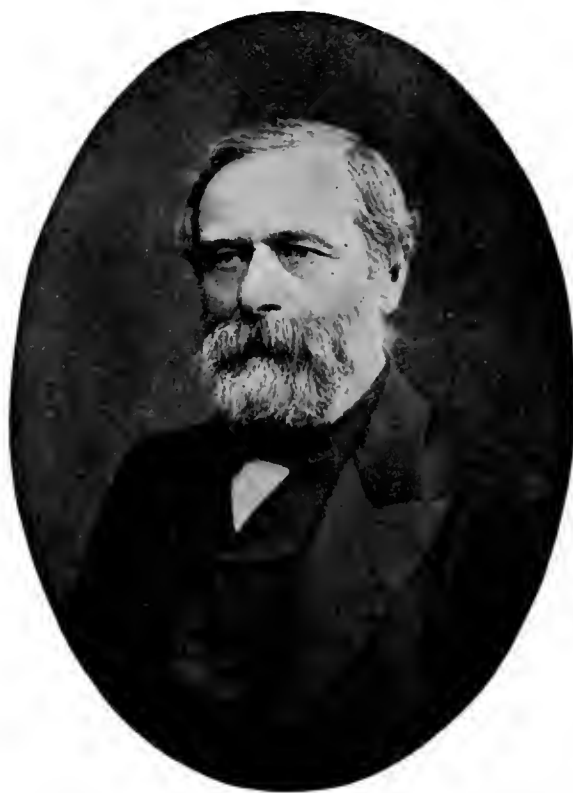
New York City, within a short distance of their principal hotels. All other routes land their passengers in Jersey City, compelling them to secure the services of porters and hacks, in crossing the river, making an additional and disagreeable change incident to the New York and Erie Road.

"The only route that can land passengers by cars in New York City." True. The Erie was already reaping a harvest of ills grown from the sowing of the short-sighted management that, years before, had refused to let Erie itself become "the only route that could land passengers by cars in New York City."

Misfortune, indeed, seemed to have marked Erie for its own. It was evident that the Company's affairs were once more approaching a crisis. This was the situation that confronted the Erie when Charles Moran returned from Europe in July, 1857, whither he had gone the previous winter. Homer Ramsdell had private enterprises of much magnitude, and the increasing depression in the business affairs of the Company, he declared, required that he should give them more of his personal attention, and he announced his determination to resign the Presidency of the Company. The Board of Directors had been led to believe that Charles Moran, better than any other person available, could take hold of the Company's critical affairs and straighten them out. They notified him of their belief, and solicited him to take charge of the management.

He replied that he would undertake the task, with assurances that he could perform it if the Company would pay him \$25,000 a year for his services. This was as much as the President of the United States was paid, and an unheard-of salary for the executive head of any corporation. The Board decided, however, that Moran was worth the outlay, and they agreed to his terms. July 18, 1857, William E. Dodge, who was outraged because the Company persisted in permitting work to be done on the railroad on Sunday, resigned from the Board. Moran was chosen in his place, and was unanimously elected President, Mr. Ramsdell continuing as a member of the Board. It was announced of Mr. Moran in the public prints, upon his election as President of the Erie, that he was a man of high character and integrity, of vigorous mind, and devoted to the study of political economy, "which was at the foundation of the success of any work of this description; that he had superior administrative ability, and that his election would give great satisfaction to all true friends of the enterprise, both at home and abroad." All this about Mr. Moran was undoubtedly true, but within the next two years he was to learn by bitter experience that it required something more than devotion "to the study of political economy" to be "at the foundation of the success" of such a work as the New York and Erie Railroad was.





CHARLES MORAN.

## CHAPTER XII.

### ADMINISTRATION OF CHARLES MORAN—1857 TO 1859.

Clouds Still Thicken — The Services of an Over-confident President whose Salary was \$25,000 a Year — Resignation of Daniel Drew as Treasurer — He Raises \$1,500,000 for the Company in an Emergency — End of the Rate War — The New Management's Earnest and Persistent Cut — Fruitless Efforts to Sufficiently Float New Erie Mortgages — Moran Virtually Assumes the Duties of the Entire Executive Force — Business Decreases — All Work on Improvements Suspended — In Debt to the Employees, in Arrears of Interest, and No Prospects of Relief, the Company Goes into the Hands of a Receiver.

THE Company began the year 1857 with a floating debt of \$1,575,518.77, which was augmented every month, after the first quarter, by a payment of \$35,000 to the sinking fund, and another of about \$20,000 a month on the Long Dock improvement. The income of the road after the first quarter was insufficient for the payments, and in the spring a loan became necessary, which was obtained from the banks on an arrangement by which Daniel Drew endorsed the notes of the Company, taking for his security a mortgage on all the previously unmortgaged property. The amount of this loan from Drew was \$1,500,000, and the Company paid him \$25,000 for his name.

Daniel Drew was one of the principal owners of the People's Steamboat Line, between New York and Albany, as well as a stockholder in the Buffalo and State Line Railroad Company. In 1855, during the war of rates between the New York Central and the New York and Erie, the People's Line had agreed with the former railroad company to carry passengers from Albany to New York at a rate so low that the Central could and did make its fare for second class passengers between Buffalo and New York \$4. This was greatly to the damage of the Erie, and Daniel Drew was then prominent in the affairs of the steamboat company, as also Treasurer of the New York and Erie Railroad Company. This made serious trouble among Erie stockholders in 1855, and in this later war of rates (1856-57) between the Central and the Erie, when the latter was handicapped more than it had been two years before, the Buffalo and State Line Railroad and People's Line

of Steamboats were again being used to the detriment of the Erie, of which Company Daniel Drew was still Treasurer and a leading Director. His equivocal position as financial officer of the one Company, and sharer in the profits of the other companies; and, moreover, his partnership in a firm of brokers whose manipulation of Erie stock to the disadvantage of the Company was freely charged, brought about such manifestations of displeasure among the stockholders that, on July 20, 1857, Drew made a statement to the Board in which he said that he was not ignorant of the fact that a portion of the stockholders regarded his various relations to the People's Line of Steamboats on the Hudson River, and to the Buffalo and State Line Railroad Company, that had attempted to annoy and embarrass the western connection of the Erie, and his participation, as a general partner, in a prominent firm of Wall Street brokers, as inconsistent with his position as Treasurer of the Erie, and so he tendered his resignation from that office. Drew's resignation was accepted, and Herman Gelpcke, of the banking house of Gelpcke, Keutgen & Reichelt, and a member of the Finance Committee of the Board, was elected to succeed him. Drew remained in the Board.

The folly of the cut-throat rate-war policy that had so long prevailed began to be appreciated by all parties concerned in it before the end of July, 1857, and the new Erie administration began efforts to bring it to an end. A meeting between the Erie and Michigan Southern and the New York Central and Michigan Central Presidents was arranged.

With the close of July an amicable and satisfactory agreement was concluded, old rates were restored, and the disastrous war came to an end—for the time.

Early in his incumbency President Moran demonstrated that his policy was to be radically different in the management of the Company's affairs from that of any of his predecessors. It had been the custom, as a bid for new business and an inducement to retain old, to issue free passes to drovers who accompanied their cattle to market on the stock trains, and to "freighters," who controlled produce shipments in those days. There were about 160 persons receiving these free tickets, and the issuing of them had been regarded as good business policy by all managements up to the Moran control. Moran did not believe it was a sound business principle, and he abolished the free pass system at once. He also dispensed with agencies, runners, advertisements, and all such methods of increasing the Company's business.

Money was necessary to carry forward the improvements the Company had then in hand, but which were being delayed by lack of funds, so a scheme for a fourth mortgage loan was announced early in August, 1857. It was proposed to raise \$3,000,000 by creating a stock for \$6,000,000, half to be paid in cash and half in the unsecured bonds of the Company. The object of the loan was to fund the debt of the Company, and to obtain means to continue the construction of the Bergen tunnel, the depots, wharves and other improvements of the Long Dock property. It was calculated that the debt of the Company would be increased but about \$1,000,000 by this plan.

It was a discouraging time for negotiating loans, however, even on the most approved security, for it was at the height of the panic of 1857, when banks were failing by the score, and the oldest business houses were trembling on the verge of bankruptcy; but President Moran and his associates went to work in earnest to place the new bonds. The unsecured bonds of the Company were low in the market—being then quoted at about thirty-five—and the terms of the new issue were favorable, but investors ignored it. They were shy of Erie once more. At

a meeting of the stock and bondholders held at No. 13 Broad Street, New York, September 23, 1857, for the purpose of inducing them to subscribe for the new loan, President Moran made an address which is to-day a graphic—and in some respects an amusing—exhibit of the Company's situation and tribulations in that critical year. He began by presenting a statement of the financial condition of the Company as follows:

	Sept. 30, 1855.	Sept. 30, 1856.	Sept. 30, 1857.
Capital Stock.....	\$10,023,959	\$10,000,000	\$11,000,000
Funded Debt.....	24,891,000	24,891,000	24,891,000
Floating Debt.....	1,211,763	1,104,970	2,437,209
Interest Unpaid.....			69,000
Total Indebtedness.....	\$26,102,763	\$25,995,970	\$27,397,209
Cash and Cash Items.....	180,756	300,656	84,551
Materials.....	504,855	502,541	550,000
Fuel.....	497,115	726,723	610,000
Steamers on Lake Erie...	88,875	218,931	231,229
Rolling Stock loaned to Canandaigua and Niag- ara Falls Railroad.....	100,000	100,000	100,000
Other Assets.....	10,456	46,234	50,000
Due by Agents.....			250,000
Advanced to Long Dock Co. ....			684,254
Bonds of 1875 in Sinking Fund.....	322,000	794,000	1,386,000
Total.....	1,703,857	2,690,425	3,925,934
Liabilities over Assets....	\$24,398,911	\$23,305,545	\$23,471,275
Total Indebtedness.....	\$26,102,763		\$27,397,209
Less Sinking Fund.....	322,000		1,386,000
Total.....	\$25,780,763		\$26,011,209
Increase for two years.....			\$230,441
But on the 30th of September there had been advanced to the Long Dock Company.....			684,254
Which shows an actual increase, over and above paying interest on bonds, of.....			453,813

Mr. Moran did not think this was a good reason why Erie bonds should be selling at thirty-five. He then adverted to the earnings of the road since its opening to Dunkirk, and made this statement:

*Earnings of New York and Erie Railroad.*

1852 .....	\$3,340,150
1853 .....	4,318,962
1854 .....	5,359,958
1855—Short crop year and war in Europe.....	5,488,958
1856 .....	6,349,050
1857—Engineers' strike and short crop (estimated partly) .....	5,750,000

The most important difficulty the road had to contend with, he said, was the engineers' strike of the fall of 1856. "Owing to a policy which occupied itself with minutiae to the exclusion of the main chance, the best set of engineers ever gathered in this country was dispersed. They spread reports all over the country unfavorable to the Erie road; they said it was served by incompetent engineers, by mere boys, and what they said was in part true. The strike was followed by a December and a January change in weather by which the road was blocked by snows, and an inundation in February which destroyed the most important bridges on the line. Constant rains kept the road in a state of liquefaction until July, and the result of all this was that during the first six months of the present fiscal year there had been a diminution of receipts of \$534,000, and an increase of expenditure of \$482,000, leaving a comparative balance against the Company of \$1,016,000. Notwithstanding this loss," declared Mr. Moran, "the road has gone ahead within the last two years between four hundred and five hundred thousand dollars. If, under such unfavorable circumstances as these, such results could be obtained, what would they not be when the large crops of this year came in, and when economical and active management had made the road as productive as possible?"

"When I assumed the Presidency of the Company its great difficulty was that out of the two millions of floating debt \$1,500,000 was to become due this month, and we had nothing to rely upon but the current receipts of the railroad. The former Treasurer, Daniel Drew, said he would carry the road through August, and he did so; but with the end of August, and the failure of the Ohio Life and Trust Company, began the present crisis. We then had to meet this enormous payment of \$1,500,000 without knowing where we were to get the first cent. I consulted James Brown. The Board of Directors had created \$6,000,000 of new mortgage bonds, which were offered to the holders of unsecured bonds, payable half in unsecured bonds and the other half in instalments of ten per cent. We concluded to call a meeting of the banks and propose that if they would furnish \$600,000, private individuals

would provide \$250,000, which would enable the Company to get through. In 1854 the Directors in a similar crisis had paid \$40,000 to Cornelius Vanderbilt for indorsement on \$400,000 for six months, and created a chattel mortgage on the rolling stock to secure him, and while I was in Europe this summer, they had unfortunately resorted to the same means of raising money, paying Mr. Drew \$25,000 for indorsing for \$1,250,000, and securing him in the same way. This, however, is destructive to the credit of the Company. I do not think that in this last case the remuneration was too large, but I would not have agreed to it, even at the risk of the failure of the Company. Only last Monday (September 21st), when, at half-past two o'clock, our Treasurer, Mr. Gelpcke, found it impossible to make the Company's account good in bank, he advanced on his own responsibility \$50,000 for that purpose. On the same day we had to pay the coupons, and only between eleven and twelve o'clock of that day, from four or five banks, we got the required assistance—\$575,600 from them, and \$10,000 from individuals. This was almost entirely due to the efforts of Treasurer Gelpcke. We have found a reluctance on the part of individuals to aid the Company that is very discouraging. That the Company's notes have not been protested we owe to Mr. Gelpcke. Daniel Drew can take possession of us under his mortgage at any time. Our Treasurer has been able to carry the road through thus far; whether he shall be able to do so in future, some of those who have had to raise money for themselves may conceive.

"The cost of the Erie now stands at \$37,000,000. Its only competitors are the New York Central, the Pennsylvania and the Baltimore and Ohio railroads. The New York Central has a very advantageous route, but, in addition to the capital of \$39,000,000, a million will be required to build the Albany bridge, and the \$13,000,000 of the Hudson River Railroad must be added to reach New York, a total of \$53,000,000, exceeding Erie's capitalization by \$14,000,000, before the Central can control the trade of New York. I think the Erie need fear no competition in any quarter.

"In a recent journey West I found that the Illinois Central Railroad owed its large freight traffic to

the fact that it had extensive water accommodation at its termini, and upon my return I mentioned to my co-directors in Erie that the only weak point in our railroad was its lack of water front at Jersey City. Shortly afterward the necessary land was tendered to the Company at a low price, and the President took the responsibility of accepting it, as there were other parties who would have taken it had they known it was to be sold. We now hold there 775 feet of dock front where heavy produce can be rolled directly from the cars into vessels for foreign shipment. This will secure almost a monopoly of the grain trade from the West to Europe, as that traffic is called for mostly after the close and before the opening of canal navigation. Soon the expenses of the Jersey City and Piermont ferries, which are \$75,000 a year, will be replaced by a revenue from the ferries to Duane and Canal streets of nearly the same amount. Then Western merchandise will be delivered twelve hours earlier than now. But if we cannot get assistance, we shall be compelled to discontinue the work at Jersey City, and dismiss the trained set of hands now at work there."

President Moran then presented the following statement and estimates, as encouragement to faltering investors:

NEW YORK AND ERIE RAILROAD COMPANY.

	Sept. 30, 1856.	Sept. 30, 1857.	Jan. 1, 1858 (est.).
Total Indebtedness.....	\$26,102,773	\$27,397,209	\$27,141,000
Less Sinking Fund.....	322,000	1,386,000	1,500,000
Real Indebtedness.....	\$25,780,773	\$26,011,209	\$25,641,000
Advances to Long Dock Company.....	\$684,254	\$1,100,000	
Estimated floating debt, Jan. 1, 18 <sup>58</sup> including interest due on that day, all payments to Sinking Fund, and \$258,000 for the advances to Long Dock Company .....		2,250,000	
Sinking Fund will hold Dec. 31, 1857.....		1,500,000	

*Estimate for Fiscal Year, 1857-8.*

Receipts, same as 1855-6.....	\$6,350,000
Expenses.....	\$3,492,000
(The expenses of 1856 were \$3,146,994.)	
Interest, 7 per cent. on \$28,000,000, amount of debt after negotiating of new loan.....	1,960,000
Interest on Long Dock Stock.....	50,500— 5,502,500
Net income, 7 70-100 per cent. on \$11,000,000....	\$847,500
Less payments on Sinking Fund.....	420,000
Net income applicable to cash dividends.....	\$427,500

"This," said President Moran, "is equal to three and seven-eighths per cent. on \$11,000,000, while on the first of February next the sinking fund will have already in hand bonds in excess of last stock dividend of \$1,000,000. The \$400,000 yearly payments to the sinking fund, joined to the interest on the bonds already purchased, will purchase yearly more than equal to five per cent. on the \$11,000,000 of stock.

"When I took this position I found 158 persons riding daily on free passes. I immediately cut them off. (Cheers.) That example was followed by other roads. I substituted an alliance for higher fares instead of ruinous competition—an agreement in which the four great roads all joined. We agreed to discontinue the use of runners and solicitors. I think my estimate of receipts is moderate, and of expenses very liberal. Our difficulties are to continue to meet present expenses in case the loan is not taken. I appeal to stock and bondholders of Erie to take it. In July our bonds stood at seventy to eighty per cent. They are now at thirty-five. This loan will restore confidence and the bonds to their old value, which will be an actual gain of property more than the loan asked for. The moment it is taken our stock will go up to the extent of two or three millions. Since I have been in office I have been over the road but once. These money troubles have occupied me every day. I have been forced to delay payment of the men, and have had two difficulties with those employed at Long Dock. On two occasions these men have left the shops at Piermont, and the danger is that these men may refuse to work at any moment, which will render all our property useless. I have been unable to spend enough money on the road to get it in proper condition for the immense traffic which will be offered in a fortnight from now. Can money in any way be used to better advantage than in helping this road?"

Richard Lathers, a member of the Board, reinforced the appeal of President Moran. "You must remember," said he, "that \$21,000,000 of your property may be wiped out any day. Up to a recent period we have managed the road badly, but we have begun to change, and if anybody here has bonds or stock of this Company he had better come

forward and take of these new bonds. It is by no means certain that we shall rub through. From day to day it takes nearly all the time of the Directors and the Treasurer to raise money to meet their payments. Let no one express sympathy with this Company unless he make it substantial. If this Company goes to protest, you may just as well go home and burn your bonds. We want but little money. We want confidence, principally. Take this into consideration. If you do not, and if in three or four days the road goes to protest, you cannot but feel that you have been duly warned by at least one of the Directors."

A closing appeal was made by President Moran, and the following subscriptions were received: Brown Brothers & Co., \$12,000; Sarazin & Dufais, \$6,000; George W. Van Stovorin, \$2,000; Richard K. Hoffman, \$8,000; A. M. Cazzens, \$10,000; W. B. Bolles, \$6,000—a total of \$44,000. Gelpcke, Keutgen & Reichel had previously subscribed \$100,000, making \$144,000 thus far taken toward the \$6,000,000 loan.

Ex-President Benjamin Loder made a speech in favor of an investigation of the Company's affairs, and he, William Whitewright, jr., John H. Gourlie, and John Stuart, jr., were appointed to confer with the President and Directors.

The newspapers announced on September 25th that President Moran's explanations at the meeting "were favorably received in the street," but Erie stock did not respond to the feeling. The committee appointed at the meeting to examine into the Company's affairs and their prospects held its conference with the President and Directors and made a report to the security holders, the startling declaration appearing in it that the unsecured bonds for \$10,500,000, and the \$11,000,000 capital stock of the Company—which had been sold down to eight on the street—would cease to have any market value whatever unless immediate relief was obtained. By October 1st the stock was down to ten, but the subscriptions to the new loan had increased to \$600,000. The crisis in financial affairs continued, and October 10, 1857, President Moran issued the following notice to the stock and bondholders of the Company:

The event we dreaded has at last occurred. This company has been forced to allow its engagements falling due yesterday to be protested, notwithstanding the strenuous efforts of its officers, who, unaided by you, found it impossible to obtain temporary loans, although they showed that they could be reimbursed in a few days from the receipts of the company. It now becomes imperatively necessary that you should come forward to relieve the company so as to prevent your valuable property from passing into other hands, at the risk of being wasted by litigation between parties in interest. A prompt and united effort on your part will yet avert any injurious consequences from the present unfortunate embarrassment. A very moderate amount received in cash will enable the company to resume its payments at once, and the balance of the subscriptions could be made very gradual and easy, without danger to the company. In view of the present state of things we invite you to meet together on Wednesday evening next, the 14th inst., at 7 o'clock, at the Mercantile Library, Astor Place.

The meeting at the Mercantile Library was largely attended. Strong appeals were made for subscriptions to the new \$6,000,000 issue of bonds, but with no satisfactory result. The meeting adjourned to meet October 28th, at the same place. A few days later the plan of the issue was changed so that all coupons on bonds due within the year would be taken as cash, as would any of the floating debt of the Company. At the meeting on the evening of the 28th Richard Lathers again explained the situation of the Company, and endorsed the payment of the \$25,000 salary to President Moran, that having been a cause of some complaint among the stockholders. "It was true," he said, "that a person might be found who would serve the Company as President for nothing, but I am afraid that such a President could not be trusted very far. These cheap Presidents, who can afford to build splendid palaces out of the city, while the railroads which they profess to manage are going the wrong way, make one begin to suspect that there is a screw loose somewhere. If the President is paid a liberal salary he is under no necessity of dabbling in stock, and can afford to devote his whole time and energy to the best interests of the road."

It was announced at the meeting that instead of Daniel Drew being determined to take advantage of the Company's embarrassment, and foreclose his mortgage as had been announced, he was willing, if he could have \$1,000,000 from the Company toward cancelling his endorsements, to take the remaining

\$500,000 in the new bonds. For this, on motion of O. S. Baker, resolutions expressing the full confidence of the stock and bondholders in the Board of Directors, "and especially in Mr. Drew," were adopted. Hon. Erastus Brooks, Capt. Charles H. Marshall, George Kenny, and William D. Murphy were appointed a committee to call upon the stockholders and solicit subscriptions from them up to ten per cent. of the amount of stock they respectively held. These eager spurts of financiers toward aiding Erie resulted in strengthening its shares in the street and improving the price of the bonds. Confidence seemed to be returning.

A meeting at Jersey City was held in Commercial Hall, Montgomery Street, Thursday evening, November 5, 1857, and the benefits of the railroad, with its terminals, after the Bergen tunnel should be completed, were placed eloquently before it. Much interest and enthusiasm were aroused. This was the first Erie meeting ever held in that city. A committee was appointed to solicit aid, and of that committee Dudley S. Gregory and Charles G. Sisson subsequently became active Directors in the Company. This committee had a conference with citizens of Jersey City Monday evening, December 9th, at Mr. Gregory's office. Hon. Samuel Westcott, Mayor of the city, besought the people of the place to contribute to the full extent of their means toward the aid of the Company, "rather than let the work be stopped at this time, the completion of which will secure to us the greatest railroad terminus in the United States." The result of the conference was that Jersey City contributed \$250,000 toward the loan.

The modification of the terms of subscription so that the debts and acceptances of the Company maturing within a year were received as cash, helped the loan. Subscriptions were received from England, and President Moran suggested that it would be a good thing for some one representing the Company to go abroad in the interest of the loan. In December, 1857, the subscriptions had amounted to \$1,200,000, half of them from abroad, and President Moran declared that he was positive that if he went to Europe he could obtain subscriptions to at least one-half the loan. The Board resolved

to send him there, and at the same time unanimously agreed that the entire issue of the Company's unsecured bonds should be funded in a fifth mortgage, so that the door might be shut against any more loans. This measure was not adopted formally, but was expressly left to be inaugurated by the President in England, as being well calculated to help his negotiations. President Moran sailed in January, 1858, S. T. Headley, of the Morris and Essex Railroad Company, having been elected Vice-President, December, 20, 1857, to fill Moran's place during his absence. On the President's return from Europe at the end of three months (April, 1858), he informed the Board that he had agreed, in England, that the subscribers to the fourth mortgage bonds should have, in addition to the previously announced conditions, the right to fund \$3,000,000 of unsecured bonds in a fifth mortgage, which was for no reason to exceed \$5,000,000, thus excluding \$4,000,000 from every protection. This limitation was in express contravention of the design of the Directors, yet they confirmed the President's agreement, one member of the Board only. (George Bruce) having his name recorded against the measure, he holding that instead of expressing confidence in the situation of the Company, it was an evidence of distress unexpected by creditors and impolitic from the debtor; nor does it appear that any additional subscriptions were gained from the concession, for so late as September 30, 1858, the close of the fiscal year, the President's report showed the aggregate subscriptions to be only \$3,020,511.55, of which half was in the old unsecured bonds, being an increase in nine months of only \$300,000 to the cash loan.

Soon after his return from Europe President Moran, with astonishing self-confidence, he having no experience or knowledge of the practical workings of a railroad, assumed charge of the duties of General Superintendent. He abolished committees in the Board of Directors, and took upon himself the duties of Treasurer, Auditor, Chief Engineer, Purchasing Agent, and other offices. He dominated everything, and took advice from no one. He inaugurated the system of regular semi-annual meetings of the stockholders, after the English custom. The

first one was held at Clinton Hall, Astor Place, New York, the night of June 3, 1858. The hall was crowded with stockholders and bondholders, and people who were there merely out of curiosity. President Moran made a statement of the six months' business of the Company from October 1, 1857, to April 1, 1858, and it was by no means reassuring. The Company had lost over \$400,000 during the time, although the expenses had been decreased by \$198,000. Most of the expenses had been for repairing rolling stock and putting the property of the Company in better shape for doing business. The winter of 1857-58 had been an unusually severe one, and had interfered with traffic greatly. President Moran said that owing to the panic of 1857 and its results no railroad in the country was being operated at a profit. He was sure that if the Company could get out of its financial difficulties, and if the tunnel and the Long Dock could go on, the revenue of the railroad would not be less than \$7,000,000 a year as soon as trade revived. He said that owing to competition the Erie was transporting passengers at less than two cents per mile per head, and that the carriage of merchandise had not been remunerative for some time. He trusted the unsecured bondholders would look into the proposed mortgage bonds, for, even in the case of the Company's bankruptcy, he said, they would be a perfectly good investment. He referred to the fact that the Company was severely criticised for paying him the large salary of \$25,000 a year as President, and claimed that he was worth it, for he was also filling the office of General Superintendent, who had received \$10,000 a year, and was consequently drawing but \$15,000 as President, which was only \$5,000 more than Mr. Ramsdell had received.

Time went on, but with it did not pass the trying and threatening situation of Erie. The new fifth mortgage bonds were begging in the market. Business on the railroad went from bad to worse. The Company was falling into arrears in the pay of its employees. Work on the tunnel and other improvements was practically at a standstill. The tunnel contractors had ceased operations in October, 1857, President Moran having refused to pay the bills of the contractors, Stanton & Mallory, on the ground

that certain excavation was not called for in the contract, although it was demonstrated that such excavation had been made necessary through no fault of the contractors. Work on the tunnel was not resumed for a year and a half.

Up to August, 1859, of the loan only \$1,253,500 had been taken. The hopeless state of entanglement in the affairs of the Company culminated on the 4th of that month in the recovery of a judgment against it for \$35,000 default in sinking fund bonds, and an execution was issued the same day. Other suits were pending in which the same questions were involved, and it became plain that if the bondholders wished to protect the property of the corporation, and hold it together against a reorganization, some steps must be taken at once. Proceedings were begun by the trustees of the fourth mortgage, default having also been made on the first, second, third, and fifth mortgages. On motion thus made, Nathaniel Marsh, Secretary of the Company, was appointed Receiver by Judge Mason of Chenango County. He took possession of the road on August 16, 1859. On the 19th the Directors made a large reduction in President Moran's salary. On the 27th he resigned as President, and retired from the Directory. Samuel Marsh was elected President to succeed him. The bonded debt and capital stock of the Company when Moran left it were as follows:

Capital Stock.....	\$11,000,000
First Mortgage Bonds.....	\$3,000,000
Second Mortgage Bonds.....	4,000,000
Third Mortgage Bonds.....	6,000,000
Fourth Mortgage Bonds.....	3,705,000
Fifth Mortgage Bonds.....	1,253,500—\$17,958,500
Unsecured Bonds and interest due on them.....	7,825,150
Total Debt.....	\$36,783,650

Erie stock in July, 1857, when the Moran administration began, was quoted at thirty-three and one-third. In August, 1859, when the Moran administration ended, the stock was wavering at eight. That Charles Moran made earnest and conscientious endeavor to extricate the Company from its troubles and start it forward on a successful career it would be unjust to doubt. His ability to do so had been simply misjudged and overrated—and by nobody more than by himself.

## CHAPTER XIII.

### ADMINISTRATIONS OF SAMUEL MARSH, PRESIDENT, AND NATHANIEL MARSH, RECEIVER AND PRESIDENT—1859 TO 1864.

The Discouraging Condition that Confronted the Receiver — Wages Months in Arrears, No Money in Sight, and More than a Million Dollars in other Overdue Claims Clamoring for Payment — The Contract with Davis and Gregory — The Clouds Dispersed within Two Years — Vanderbilt Appears in Erie — The New York and Erie Vanishes Forever, and the Erie Railway is Born — Bergen Tunnel Finished — Pavonia Ferry Established, and Piermont Ceases to be the Terminus of the Erie Except in Legal Fiction.

ALTHOUGH Samuel Marsh was the official head of the New York and Erie Railroad Company from 1859 to 1862—being the last President of the old Company—the direction of its affairs was his merely in a formal way, as the Company was in the custody of the court, and Nathaniel Marsh, as Receiver, was the officer and agent of the court to manage and direct the business of the Company until the legal requirements of the situation might be met, and the property handed back to the possession of its owners. President Marsh's office was simply an advisory one, and while his ideas, and those of the Board, might have been acted upon, and in many instances were, by the Receiver, the latter was in no way bound to follow any such instruction or advice. A man of less experience in Erie matters, however, might have been of much hindrance to the Receiver in the management of the complicated business of the Company. Samuel Marsh having been Vice-President of the Company several years, had a knowledge that was of much service to the Receiver, and his application of it aided greatly in hastening the development and success of the plans that were devised for Erie's rehabilitation.

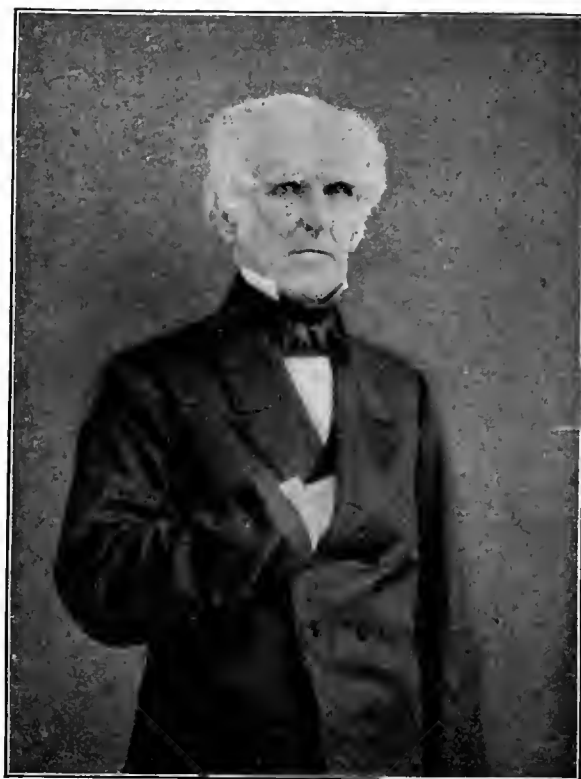
Receiver Marsh found a most discouraging outlook when he took charge of the Company's property. "The income of the road," he subsequently wrote, "owing to the depressed state of business generally, and to other causes (as the Receiver charitably put it), was barely sufficient to defray the current expenses," while claims for labor and supplies, and judgments rendered before his appointment, and rents and unpaid taxes, were pressing for immediate

payment. These claims amounted to more than \$700,000. The forbearance of the creditors, and especially of the employees, whose pay was some months in arrears, relieved the Receiver of much embarrassment, and increased earnings enabled him, in the course of four months after his appointment, to discharge all these claims, and pay the current expenses of the road. After that all payments for labor were paid regularly as they became due, and all supplies were purchased for cash. The Receiver on taking office had confronting him the providing for the payment of the following claims:

For supplies purchased and labor performed, previous to appointment of the Receiver, with rents and unpaid taxes, and certain claims and judgments .....	\$741,510 14
Interest on 4th Mortgage, due April, 1859.....	62,195 00
Interest on 1st Mortgage, due May, 1859.....	102,270 00
Interest on 5th Mortgage, due June, 1859.....	31,027 50
Interest on 2d and 3d Mortgages, due Sept. 1, 1859	350,000 00

Amounting in all to.....\$1,287,002 64

The settlement of these claims, and providing for payment of future interest on the mortgage debt out of the earnings of the road, would have continued the road in the hands of a Receiver for years, so an agreement was made between the stockholders and the creditors of the Company, by which the conflicting interests among the latter should be submitted to the adjudication of Trustees. October 22, 1859, a contract was made by the Company with J. C. Bancroft Davis and Dudley S. Gregory, who, under its provisions, undertook the task. The plan they proposed was that the unsecured bondholders



SAMUEL MARSH.



should exchange their bonds, with four years' accrued interest, for seven per cent. preferred stock, and that the common stockholders should stand, as they then were, subsequent in interest to the creditors of the Company. Under the contract the Trustees were called upon to execute the following trusts:

I. To receive and hold said mortgage coupons of each class, and issue scrip therefor.

II. To receive and hold such fourth and fifth mortgage bonds, in case of foreclosure, and exchange them as herein provided.

III. To receive and hold such unsecured bonds and coupons, and exchange them for such preferred stock, and issue receipts therefor.

IV. To receive and hold such shares as the capital stock of the New York and Erie Railroad Company, for the purpose above named, and issue receipts therefor.

V. To cause proper agreements to be drawn in order to carry out the purposes of this agreement, and they or either of them, as the attorney in fact of the subscribers hereto, to sign the same.

VI. In case a sale of the road under foreclosure is necessary to carry out this agreement, to buy the same in on our account, assessing us as hereinafter provided, said Trustees being under no liability to furnish money for that purpose.

VII. After said railroad passes out of the hands of the Receiver, to receive the net earnings thereof from the new management, and apply them to the payment of, 1st, such of the present floating debt of said New York and Erie Railroad Company, not exceeding \$320,000 principal sum, interest to be added to date of payment, as shall be contained in a schedule thereof to be furnished to the said Trustees by the Board of Directors, and for which fourth mortgage bonds are pledged as collateral; 2d, to the expenditures upon the Long Dock property, estimated to amount to \$500,000; 3d, to the liquidation of said delayed mortgage coupons, in the order of their priority, which shall terminate said trust.

VIII. To retain from said net earnings, as a compensation for their own services, a sum to be fixed by the Board of Directors.

The story of the result of the plan for caring for the affairs of the Company under the Receiver and

Trustees is interestingly told in "A Statement of the Operation of the New York and Erie Railroad, Under the Receivership," from which the following extracts are taken. The statement was made by the Trustees to the stockholders in surrendering the property to the new Company in 1862, and is a valuable chapter in Erie history:

"When we entered upon this trust we found the road in the hands of a Receiver, with one coupon matured and another about to mature upon the first mortgage; with the principal of the second mortgage matured, and one coupon also due upon the same; with one coupon matured upon the third mortgage; with two coupons matured upon the fourth mortgage; with one coupon matured and one about to mature upon the fifth mortgage; with several suits pending upon the sinking fund bonds, on which they were claimed or established to be matured; with \$750,000 of liabilities for labor and supplies, and taxes in arrear, charged as a preference claim upon net earnings, by order of the Supreme Court; and with a floating debt estimated at \$320,000, for which fourth mortgage bonds were pledged to the amount of \$2,300,000; or, to state it in a tabular form, the liabilities of the Company then matured, or soon to mature, were:

Two coupons, first mortgage.....	\$210,000
One coupon, second mortgage.....	140,000
One coupon, third mortgage.....	210,000
Two coupons, fourth mortgage (not including hypothecated bonds).....	240,000
Two coupons, fifth mortgage.....	125,000
Preference debt, due operatives, etc.....	750,000

Total mortgage, interest and preference debt....	\$1,675,000
Principal of second mortgage.....	4,000,000
Sinking fund bonds.....	2,200,000
Two years' interest on same.....	308,000
Floating debt, secured by fourth mortgage collateral, at an average of about 12½ per cent.....	320,000

Total matured liabilities.....\$8,503,000

"Our first object was to protect the collaterals pledged for the floating debt. The contract allowed this debt to be paid from the net earnings, if the assent of the mortgage bondholders could be secured. This could not be obtained, and, under the order of the Supreme Court (which we found it useless to attempt to resist), the net revenues of the road were

ordered to be applied to the payment of the interest upon the first and second mortgages. The holders of the floating debt then gave notice that they should sell the fourth mortgage bonds held as collateral to their debts, and as the whole collateral would probably have been sacrificed by such a course, we were obliged to refer the settlement of that debt to the Directors of the New York and Erie Railroad Company. They authorized the execution of a contract, eminently wise and judicious, in our opinion, under which it was retired.

“ Our next difficulty was with the holders of the second mortgage bonds. Finding it impossible to secure an exchange of those bonds into the third mortgage bonds on the terms authorized by the contract (by giving a bonus of ten per cent. in preferred stock), we again referred the question to the Company, under whose authority a contract was made which secured the entire extension of the second mortgage bonds for twenty years, and the absolute retirement of 1,100 outstanding hypothecated fourth mortgage bonds, and a favorable contract for the retirement of 1,000 more of such bonds (\$1,000,000) if the Company desire. As a part of this arrangement, we also secured the entry of a judgment in the pending suit for the foreclosure of the fifth mortgage, affirming the validity of the mortgage debt of the old Company, and providing for the purchase of the property at the sale by ourselves as your Trustees, and securing your interest in the property.

“ Before obtaining this judgment we had, with great difficulty, and in the face of a determined and organized opposition, obtained from the Legislature of New York a recognition of your organization for your protection, and an authority to ourselves, as Trustees, to purchase the road, and to organize the Erie Railway Company for your benefit. We had also obtained from the States of Pennsylvania and New Jersey authority to sell so much of the property, franchises, and estate of the old Company as was in those States respectively, at any sale that might be ordered by the Supreme Court of New York, and an authority for the purchasers to convey it to any corporation that might be formed to receive it. The Legislature of New York, in granting us the neces-

sary powers to secure this property for you, enlarged the provisions of the original contract. That contract contemplated that the bonded unsecured debt only should receive preferred stock in the new Company. But the Legislature, on the representations of sundry contractors and others holding claims against the Company which were not secured by mortgage, directed us to take into the trust, and grant certificates for preferred stock for all such unsecured and judgment debts and claims as should be presented within the time specified in the act.

“ While the proceedings to which we have referred were going on, we opened offices in New York and London to receive assents to the plan for reorganization. The London office was under the charge of Mr. Evans, one of your Directors, and the New York office was managed by Mr. Otis, your Secretary, under our own supervision. Few creditors under the first and second mortgages made the concessions required of them. They claimed the revenues of the road, which were of necessity conceded to them for the payment of their interest. A larger proportionate amount of the third mortgage coupon holders made the proposed concessions; but in the execution of the trust this became practically unimportant, as we were not able to divert the revenues of the road from the payment of the current interest on that mortgage.

“ The payment of the coupons in arrear, and of the accruing coupons on these mortgages, left us at the sale to provide only for the fourth and fifth mortgage coupons in arrear. We were allowed, by the terms of the judgment, to offset against our bid all such coupons held by us as Trustees, and we were required by the terms of the sale to pay, in cash, the amount of all such coupons not held by us. On these terms we bought the road on your account, at the sale on the 28th of January last. We proceeded at once to organize the Erie Railway Company, pursuant to the terms of the acts of the Legislature of New York. We provided, in the articles of association, that no new mortgage should be created on the property covered by the existing mortgages, unless the intention to create the same should be published in some newspaper in the City of New York,

once a week, for ten weeks next before the annual election of Directors; and also, that no floating debt should be created, except for the ordinary supplies, materials and expenses of operating the road, and for the payment of our bid, unless authorized by a vote of three-fourths of the Board of Directors, at a meeting called for that purpose. We also, with the assent of your Directors, levied an assessment of two and one-half per cent. upon the par value of both classes of the new stock, and caused the offices to be opened for the collection of assessments and the issue of certificates.

"While this was going on, we devoted ourselves to the adjustment of the many outstanding claims against the Company, which were entitled to share in the new organization, and we succeeded in adjusting every claim presented to us. As the result of our labors, the whole amount of the unsecured and judgment debts of the New York and Erie Railroad Company is \$8,542,184, of which amount certificates for preferred stock, and fractional certificates for such stock, and Trustees' certificates have been issued to the amount of \$8,423,675.50, leaving still outstanding unsecured claims to the amount of \$118,508.50. This latter sum is entirely in the form of unsecured bonds and matured coupons on the same; and as it is small in amount, we advise that authority be obtained from the Legislature of New York to admit it to participate in the new organization, so that it may be said that no one has suffered by the proceedings which have been taken.

"Of the total capital stock of the New York and Erie Railroad Company, there have been already surrendered for certificates of common stock in the Erie Railway Company, or for Trustees' certificates not yet redeemed, 112,565 shares, of the par value of \$100 each, leaving still outstanding 2,935 shares. The holders of these shares should, we think, still be allowed to exchange them for common stock in the Erie Railway Company, on the same terms as the other stockholders.

"In collecting assessments, we authorized Mr. Otis and Mr. Evans to receive the outstanding fourth and fifth mortgage coupons as cash. By doing so the operations of the trust were greatly facilitated. We have to report to you that we have issued

assessment receipts for \$462,402.50, on which has been received:

In fourth and fifth mortgage coupons.....	\$214,375 00
In cash.....	248,027 50

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Making a total of.....\$462,402 50

"The sums in cash, as received, were deposited in the United States Trust Company, by order of the Supreme Court of the State of New York.

"Before paying our bid, we secured orders from the Supreme Court directing the Receiver to pay the October (1861) coupons on the fourth mortgage, and the December (1861) coupons on the fifth mortgage, thus relieving us from the necessity of providing for the payment of those coupons from the assessments, and also carrying out the spirit of the contract. The road has now, as contemplated by the contract, resumed the regular payment of its current accruing mortgage interest.

"At the time of the payment of the bid, we were the holders of fourth and fifth mortgage coupons to the aggregate amount of \$704,042, which had been surrendered under the contract. The outstanding amounts on the fourth mortgage were \$80,570, and the outstanding amounts upon the fifth mortgage were \$24,885.50. These amounts we paid in cash to the Referee (Hon. Samuel A. Foote), and he is now distributing them to the holders of the mortgage coupons entitled to receive them. By a resolution of your Board of Directors, passed in May last, the holders of the Trustees' certificates for mortgage coupons are entitled to receive interest on such coupons from the 1st day of May, 1861.

"We have distributed the balance of the cash received from the assessments among the holders of the Trustees' certificates for the fourth mortgage coupons of April and October, 1859, paying interest on their coupons for that time, and that the Receiver, under orders of the Supreme Court, has contributed from the net earnings of the road the balance necessary to complete the entire payment of those coupons and interest. In handing over the property to you, and terminating our trust so far as you are concerned, we have therefore to report, as the existing liabilities under the trust, the following,

of which the coupon certificates bear interest from May 1, 1861, and the assessment receipts bear interest from their respective dates:

Fourth mortgage coupons of April, 1860.....	\$126,700 00
"    "    "    of October, 1860.....	125,335 00
"    "    "    of April, 1861.....	125,125 00
Fifth mortgage coupons of June, 1859.....	19,197 50
"    "    "    of December, 1859.....	27,877 50
"    "    "    of June, 1860.....	39,357 50
"    "    "    of December, 1860.....	39,637 50
"    "    "    of June, 1861.....	39,602 50
Assessment receipts given in London.....	155,425 00
"    "    "    New York.....	306,977 50
Total.....	\$1,005,235 00

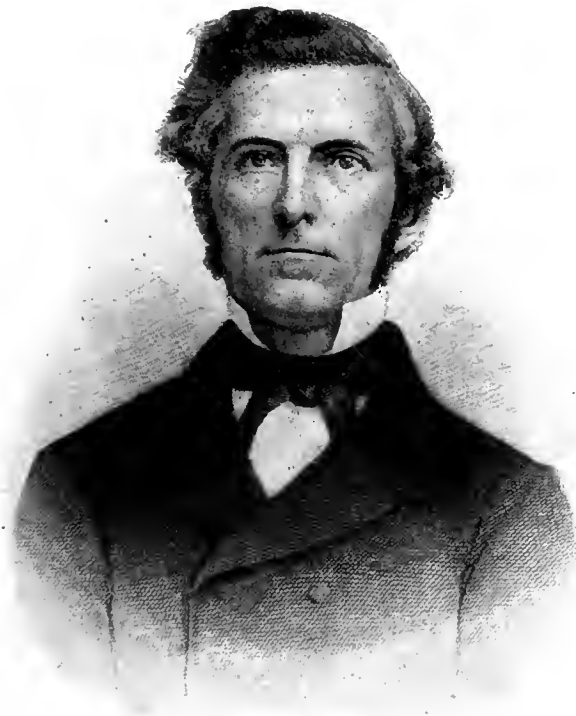
"As Trustees for the holders of the mortgage liabilities, we advise that your Company pursue such a policy as will ensure the speedy retirement of those obligations. It is but an act of justice to those mortgage creditors who have made valuable concessions to you for your benefit.

"In surrendering to you your property, we give you much more than existed when the trust was created. Then your road was without a proper terminus at New York. The old Company had invested, directly and indirectly, nearly \$2,000,000 in the Long Dock property, which was intended to be the permanent terminus of your line, at deep water, opposite the City of New York; but the work was far from being finished; there was no apparent means for completing it so as to make it available; the contractors had failed, and the ignorant workmen had struck, and, in a riot, had interfered with the passage of your trains to Jersey City. Now the expensive tunnel on the Long Dock property is completed; your ferries are regularly established, with connections in the lower part of New York superior to those of any other ferry; your passenger traffic is removed from Jersey City to your own ferries; and your freight traffic is transferred from Piermont to your own docks opposite the City of New York. Those docks, when completed, will be ample for any probable future traffic of the road, and will afford terminal facilities for railway traffic unequalled in the world, so far as our observation goes. You receive this property through us from the hands of those who have had the financial charge of it for the

past two years and a half, with no liability in the form of a floating debt against it.

"We also transfer to you a perpetual lease of sixty miles of railway from Hornellsville, on your line, to Attica, within thirty miles of Buffalo. Perceiving an opportunity to secure this property for the Erie Railway Company, on terms favorable beyond precedent in the history of railways, we made the purchase, with the assent of the Executive Committee. In order to carry out our contracts with the sellers (which were assumed by the Erie Railway Company), and to put the road in repair (for which a large amount was necessary), a bonded debt of \$200,000, having thirty years to run, was created by the Erie Railway Company, and secured by a mortgage of the road purchased. A Company, made up from your Directors, was organized under the General Railroad Act, to receive this property from us. We conveyed it to them, and they have leased it to you in perpetuity. Thus, without the payment of commissions, or of any intervening profit, you have acquired, with the creation of a moderate debt, sixty miles of new railway, in perfect order, with gradients as favorable as any on the main line, and bringing you within thirty miles of Buffalo."

This condition of the affairs of the Company was led up to by the sale of the property of the old Company, which was ordered at the suit of "James Brown and J. C. Bancroft Davis, Trustees, and another plaintiff, against the New York and Erie Railroad Company and Joseph Walker, Uriah J. Smith, and William T. Hooker, Trustees, defendants," under the fifth mortgage, final judgment having been entered in the Supreme Court of New York, June 9, 1860, and in the Supreme Court of Pennsylvania, September 15, 1860. The sale took place at public auction on the date mentioned by the Trustees, at the Merchants' Exchange, New York, through A. J. Bleecker, auctioneer. It included all "the real and personal property, rights, and franchises directed by the said judgments to be sold," and that included pretty much everything in the possession of the New York and Erie Railroad Company. The sale was closed at the nominal sum of \$220,000, being the accrued interest on the fifth mortgage, over and above the whole of the mortgage



*Nathaniel Hawthorne*



liens upon the railroad and franchises of the old corporation, principal and interest of which were:

First mortgage, 1868.....	\$3,000,000
Second mortgage, 1859, extended to 1880.....	4,000,000
Third mortgage, 1883.....	6,000,000
Fourth mortgage, 1880.....	4,900,000
Fifth mortgage, 1888.....	1,792,000

Total mortgage lien.....\$19,692,000

The purchasers, who were the unsecured bondholders of the old Company (to become preference shareholders in the new one), and the common shareholders of the old Company assenting within six months to the arrangement for reorganization, took the property subject to that lien, and to \$796,400 (including the \$220,000 bid at the sale) overdue and unpaid interest on the fourth and fifth mortgages. They had until December 31, 1861, to make payment of the overdue interest, or such part of it as might then remain unpaid from the earnings of the railroad. The further privilege inured to the new corporation of paying the arrears of interest, and otherwise completing their obligations to the mortgage bondholders in advance of the time named, and to take the railroad out of the hands of the Receiver. How this was consummated is told in the above statement of the Trustees.

According to the report of the Receiver, made in March, 1862, the expenditures for repairs of the road and machinery had been large, though somewhat less than the average of the three years preceding. During the term of the Receivership, 23,514 tons of new rails, equal to more than 230 miles, were laid, and 956,000 new cross-ties placed in the track. The machinery and cars had been fully kept up. The efficiency of the motive power was considerably increased by the rebuilding of the older locomotives, and extensively repairing others. Twenty were adapted to coal burning, with a large saving in the cost of fuel. (This was the beginning of the change in locomotive fuel from wood to coal, although several years elapsed before it was completed, that result not having been attained until the time of Jay Gould, 1868-72.—*Author*.) Four new locomotives were added to the equipment. Nearly 700 freight cars were rebuilt, “and are now worth more than when

originally put on the road.” Disastrous floods in September, 1861, on the Western Division, and in November, 1861, on the Eastern Division, had increased the expenses. The work of effecting the change from the Cascade Bridge, east of Susquehanna, to solid roadbed, which was begun in 1855, was completed. A very considerable portion of the track, particularly on the Delaware Division, had never been ballasted, mainly on account of the want of proper material. During the receivership much of the unfinished portions of the track on that division was ballasted with broken stone and gravel.

“Any doubts that may have existed as to the wisdom of the purchase of the Long Dock property,” said the Receiver, “and as to the expediency of the large expenditure required to bring it into use, the experience of the last few months has completely dispelled. In May last the works had so far progressed that some of the passenger trains were run through the tunnel to the new ferry, and in October all the passenger trains commenced running there. A portion of the freight which had heretofore gone to Jersey City was transferred to the Long Dock, and as facilities were furnished, the quantity of freight sent there was increased till, about the last of December, the whole business, freight and passenger, was concentrated there, and no trains, except a local passenger train, have since been run to Piermont.

“The charter of the Long Dock Company authorized, so far as the laws of New Jersey could do so, the establishment of a ferry from their property to New York, and a lease having been procured from the City of New York, the Receiver established, about the first of May last, a regular ferry between the Long Dock property, at the foot of Pavonia Avenue, and the Erie Railway Depot in New York, at the foot of Chambers Street, immediately opposite the General Offices of the Company. At first the service was performed by one boat, making trips each half hour, but soon after another boat was added, and the trips are now made regularly every fifteen minutes. The expenses of the ferry have been comparatively large, on account of the service being performed for the first four months by chartered boats. Two boats have since been purchased, and a new and very superior boat has been built, and

will soon be placed on the ferry. The convenience and comfort of passengers, and greater regularity in running the trains, have been secured by the establishment of the ferry, and the want of suitable station accommodation in New York has been supplied by spacious and well-arranged ticket offices, passenger and baggage rooms."

The last payment of the Receiver was made in December, 1861, and he was ordered to turn the property over to the Erie Railway Company. The New York and Erie Railroad Company had passed out of existence, after nearly thirty years of struggle and vicissitude. The expenses of the foreclosure had been \$64,753.17, and of the three years' receivership \$55,150.22. A few years later a Receiver of the Erie Railway Company, who was in office but a month with nothing to receive, was paid \$150,000 as his reward. Receiver Marsh turned over the property of the Erie Railway Company with every claim paid, and a balance of \$181,451 in the treasury.

The total cost of construction and equipment of the New York and Erie Railroad had been.....	\$35,320,907
Its capital stock paid in was.....	11,000,000
Its bonded debt was.....	26,351,000
Its existing floating debt, 1860, was.....	2,725,620
It had earned during the 19 years of its operative existence .....	51,098,106
At a total operating expense of.....	32,346,029
Leaving its net earnings for the 19 years.....	18,752,077
And dividends had been paid to the amount of.....	3,481,405
While interest on bonds, and other drafts on the treasury, had absorbed.....	15,270,672

The Articles of Association by which the Erie Railway Company was formed were entered into April 30, 1861, pursuant to the Legislature in New York State of April 4, 1860, and of April 2, 1861, both relating to the foreclosure and sale of the New York and Erie Railroad. The associates were Dudley S. Gregory, J. C. Bancroft Davis, Nathaniel Marsh, Samuel Marsh, Daniel Drew, Robert H. Berdell, William B. Skidmore, Don Alonzo Cushman, Henry L. Pierson, Ralph Mead, Cornelius Vanderbilt, and Henry A. Taler of New York; Ambrose S. Murray of Goshen; Thomas D. Wright of Binghamton; John Arnot and Alexander S. Diven of Elmira; Horatio N. Otis of Westchester County, N. Y. May 1, 1861, these associates organized as a Board

of Directors, and elected Nathaniel Marsh as President, Samuel Marsh Vice-President, Horatio N. Otis Secretary, and Talman J. Waters Treasurer.

Thus the Erie Railway Company came into existence on the eve of the great civil war, when the country was rent by the uncertainties and fears and forebodings that preceded the awful clash of arms. But for that the career of Erie during the exciting period of the national struggle might have been attended by other than commonplace incidents. As it was, the affairs of the Company, now that they had been freed from embarrassing entanglements, and were placed in condition that practically gave the Company a new start in life, attracted no more attention, and deserved no more, than those of any other corporation that was attending quietly to its business. The war brought an increase in traffic that taxed the capacity of the railroad to care for, and that this business was handled successfully, with the equipment and facilities the Company then had, is something to be wondered at to this day. Erie stock and bonds steadily advanced in the market. The earnings warranted the payment of eight per cent. dividends on the common, and seven per cent. on the preferred stock. January, 1861, Erie stock was quoted at thirty-eight and a half. January, 1862, it was strong at fifty-five and a half, and the year 1862 closed with common stock at sixty-five, and the preferred at ninety-six and three-quarters. Erie first mortgage bonds were 116; second, 116; third, 109¾; fourth, 102½; and fifth, ninety-seven and a half. The construction account, for some reason, was of not much significance during these years, and there was undoubtedly much cause for the management that came in toward the close of the civil war to declare that the road and its equipment were entirely inadequate and deplorably out of repair. The years of the Marsh management were certainly the most barren of exciting incident of any previous period in the history of Erie; yet the important record is, that that administration saw the dawn of many interests that are among the vital ones of Erie to-day, and the beginning of conditions that predominated all Erie's subsequent history.

The development of the coal trade on the road

began to occupy the attention of the Erie managers in 1861-62, "not only as an item of traffic, but to provide a supply of coal for the Company's own consumption, which had become large and was increasing, as well as to encourage the establishment of manufactories by ensuring to them at low prices a constant supply of the best fuel." At that time anthracite coal was brought to the road by the Delaware, Lackawanna and Western Railroad at Great Bend, Pa., and by the Delaware and Hudson Canal at Port Jervis. Bituminous coal was received from the Fall Brook Railroad at Corning, from that company's mines at Blossburg, Pa., and anthracite and bituminous at Elmira, by way of the Elmira and Williamsport Railroad (now the Northern Central) and the North Branch Canal, anthracite coal being transported down that canal from Luzerne and Columbia counties to Northumberland, Pa., and there transferred to the railroads connecting at Williamsport with the railroad to Elmira. The coal carried over the Erie was in the cars of other companies, hauled also by their locomotives, the Erie merely receiving a fixed sum for trackage. Thus the Delaware, Lackawanna and Western carried anthracite coal to Erie points west of Great Bend to Owego, and the Fall Brook Company transported bituminous coal from Corning to Elmira, and over part of what was then called the Canandaigua Branch of the Erie to Seneca Lake. Arrangements were in prospect for supplying points on the Western Division with coal "from the mines lying south of Olean," and from the Atlantic and Great Western Railway. Early in 1862 the Erie made a contract with the Pennsylvania Coal Company to transport its coal from the termination of that company's gravity railroad at Hawley, Pa., to Newburgh, Piermont, and Jersey City, and to carry out that contract a railroad was being constructed, under the direction of the Erie, from Lackawaxen, on the main line, to Hawley. This railroad was completed in December, 1863, and is the present Hawley Branch of the Erie. The prospective coming of the Atlantic and Great Western Railway into connection with the Erie was looked forward to with joyful expressions by the Erie management, as being an event that would lift Erie into unassailable

stability as an avenue of communication between the East and West. If they could have looked forward a few years and seen what the coming of that railroad into the field had actually in store for Erie, perhaps the Erie managers of 1862 and 1863 would not have awaited it with such pleasurable expectation.

At the beginning of 1861 the Company sold all of its steamboats on Lake Erie, and invested the proceeds in rolling stock and other machinery, "much needed for the increasing business of the road." The boats were sold to the Erie Railway Steamboat Company, under an agreement to run its boats in exclusive connection with the Erie trains, and to furnish new boats if required. The Erie Railway Steamboat Company was another name for Daniel Drew, who was again a power in Erie. Four new boats were built, and in 1862 the line consisted of "ten first-class propellers, running between Dunkirk and Cleveland, Sandusky and Toledo. Connection with Chicago and other points on Lake Michigan was maintained by propellers owned by other parties, running to Buffalo."

In 1862, for the first time in the history of the road, its capacity for receiving and discharging freight began to exceed its carrying capacity. This was due to the terminals at Jersey City, made possible by the Long Dock.

From May 1, 1862, the Erie leased the Buffalo, New York and Erie Railroad, with its rolling stock, depots, and docks. This railroad began at Painted Post, N. Y., west of Corning, and extended to Attica, where it formed a junction with the Buffalo Division of the Erie, from Hornellsville (acquired in 1861), the two running thence to Buffalo. The new leased line also had a branch from Avon to Rochester, and is now the Rochester Division of the Erie. "Satisfactory arrangements" were also made in 1862 to run direct lines for passengers and freight between Buffalo and Philadelphia, by way of the lines running south through Pennsylvania from Elmira, "with a change of cars at Elmira only." The expectations of the Company from this arrangement were not realized. The almost constant employment by the United States Government of the rolling stock of the Elmira and Williamsport Railroad and its connections to Baltimore and Philadelphia, in

the transportation of soldiers and military supplies and equipments required by the civil war, prevented its use during the war for but little other business. "Better results were anticipated in the future," President Marsh said, but that day in the future when those better results were expected from that connection never came to Erie.

As early as 1862 the Erie began to show that it preferred Buffalo as its western terminus, although it had long been evident that the Company had handicapped itself by having that terminus at Dunkirk. There could be no escape from that place as the perpetual legal western terminus of the line, however, for it was so fixed in the charter of the New York and Erie Railroad Company, as amended in 1838; but there was nothing to prevent the Company from regarding Buffalo as that terminus in fact. It was with that in view that the line from Hornellsville to Attica was secured and made a part of the Erie in 1861, and from that time the hopes of Dunkirk in the Erie began to fade, and since 1863 that place has been nothing more, in fact, than the terminus of a rather insignificant branch of the Erie, although it is really the termination on Lake Erie of the main line. The number of trains, either passenger or freight, running out of Dunkirk on the Erie is just the same to-day as it was forty years ago, and none of the palatial through drawing-room or sleeping coaches of the Erie run to or from Dunkirk. As long ago as 1863 "palace-like" sleeping cars were running to Buffalo, however, and the new situation of the Company's affairs at that end of the line was referred to thus in the *Hornellsville Tribune* of September 17, 1863: "The Company have made Buffalo the permanent terminus of the Erie Railway, the passenger and freight business having increased from that point over the road. It is gratifying evidence of the growing prosperity of the Erie Railway to witness, as we frequently do, six or seven well-filled cars, with mostly through passengers, on the express trains. These palace-like sleeping cars on this road afford the night traveler a good opportunity to enjoy a comfortable lullaby repose while traveling at the rate of thirty miles an hour—finding himself at the end of his journey rested and fresh for business."

In October, 1863, it was announced that "the Erie

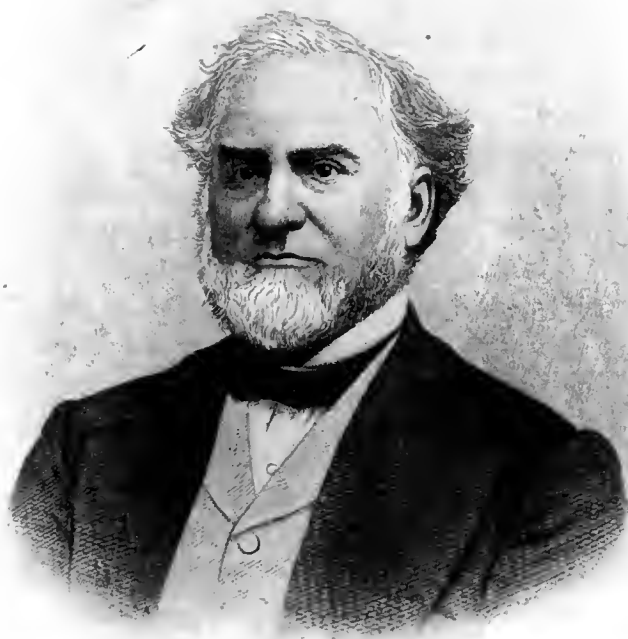
expects to be able to run broad-gauge cars through from the Long Dock, opposite New York, to Cleveland, in a week or two, and to St. Louis by the first of March next."

The Erie was doing so well in 1863, and its prospects were regarded as being so cloudless, that a leading Wall Street writer of that day declared of it all as follows: "Among the steadiest of the railway shares are \* \* \* and Erie; this last wonderfully strengthened by the connection with the Atlantic and Great Western, the marvel of the day, for the rapidity, quiet, and success attending its construction. The Erie, at first the child of disaster, is now enjoying the most vigorous manhood, and it is gathering strength with every day's existence, and will become the giant of the railway system."

In May, 1864, the Company fixed Rochester as the northern terminus of the line from Corning instead of Buffalo, the route from Avon to Buffalo being made a branch, the branch having theretofore been from Avon to Rochester. Accommodation trains were run between Avon and Buffalo, and through trains between New York and Rochester, a complete reversal of the order of operations on that division. In rejoicing over this change, the *Rochester Union* was moved to remark: "The Erie Company has resolved to make Rochester an important point for business, and will enter into the work of getting a share of the through travel by rendering the road and cars inviting to the public." But the Erie did not carry out that alluring programme. "The road and cars" were never made "inviting to the public," even to a small degree, until the Delaware, Lackawanna and Western Railroad Company paralleled the Erie's Rochester Division with a rival line, almost a score of years later.

Nathaniel Marsh died July 18, 1864. His death came suddenly, although he had been long in failing health. He had been a plodding, faithful servant of the Company for many years. His death was widely regretted. It is beyond question that President Marsh had stood in the way of the development of ambitious schemes in Erie that lay in the minds of certain speculative members of the Board, and with his death a new era in the history of Erie began.





Robert H. Berdell

## CHAPTER XIV.

### ADMINISTRATION OF ROBERT H. BERDELL—1864 TO 1867.

Cornelius Vanderbilt's Hand in Erie — His Ambition to Control it in 1864 — The Beginning of Erie's Costly Complications with the Boston, Hartford and Erie Railroad Company — Vanderbilt's Corner in Harlem, and How it Cost Daniel Drew a Million — Drew Bides His Time and Strips the Commodore of a Goodly Share of His Millions by Manipulating Erie to Erie's Great Damage — Aided and Abetted in it by His Fellow Directors in Erie who Need Money — Drew and Vanderbilt Reconciled, and Vanderbilt Makes Another Attempt to Add Erie to His Possessions — Breaks with Berdell and Takes up Eldridge — The Historic Erie Board Elected October 8, 1867.

FOLLOWING the death of President Nathaniel Marsh, his uncle, Samuel Marsh, then Vice-President of the Company, was chosen President *pro tem*. Samuel Marsh was the head of the New York Dyeing and Bleaching Company, and had been for sixteen years a member of the Erie Directory, during which time he had been Vice-President, and President through the Receivership of Nathaniel Marsh. He was the logical successor to the Presidency, and if he had insisted on being chosen, the honor would undoubtedly have been bestowed upon him for the term; but there were influences coming to the fore in Erie affairs just then that preferred another head to the Company, and Samuel Marsh declined to be a candidate for the office. There was a strong sentiment in the Board in favor of the election of Alexander S. Diven as President. He had been prominently concerned in the affairs of the Company since 1843. Conspicuous in the Board also was Robert H. Berdell. He had come into the Erie Directory in 1857, having won a reputation as a wise and prudent business man that was merited by the great success that had followed his management of his extensive private commercial interests. He at once took a leading and active part in the Erie Board, being made a member of the Executive and Finance Committees. He had been instrumental in organizing the Long Dock Company, upon which the future of Erie so largely depended, and had active charge of completing the Long Dock property in 1859-60. He was President of that company when he came into the Erie Directory. He was a friend of Cornelius Vanderbilt, who was,

in 1864, an influential member of the Erie Board, and with an ambition eager to the control of the Company. Vanderbilt desired Berdell's selection as the successor of Nathaniel Marsh. The friends of Vice-President Diven, however, were not inclined to ignore the claims of one who had given more than a score of years of his time to Erie's service; and thus Berdell and Diven were opposed to each other as candidates for President at the election in 1864. The result of each ballot was a tie. The contest continued day after day, without any change in the vote. At last Vanderbilt held a consultation with Diven.

"Diven," said he, "I want Berdell to be President of the Erie Company. I'm bound to have him, some way, and that's all there is to it. You can be Vice-President, have the general management of the railroad, and the salary of President, if you like. Will that satisfy you?"

Diven replied that such an arrangement would be satisfactory. He withdrew his name, and Berdell was chosen President of the Board, which composed the following persons: Samuel Marsh, Daniel Drew, John Arnot, William B. Skidmore, Cornelius Vanderbilt, Robert H. Berdell, Dudley S. Gregory, Ralph Mead, Ambrose S. Murray, William Evans, J. C. Bancroft Davis, Henry S. Pierson, Don Alonzo Cushman, Alexander S. Diven, Thomas W. Gale, Isaac W. Phelps, Horatio N. Otis.

Cornelius Vanderbilt was in 1864 only at the beginning of the career which was, in a very few years, to revolutionize the railroad systems of New York and adjacent States, and mark a new era in railroad

management. He had not yet made himself master of the great Hudson River and New York Central Railroads, and was famous simply as a feared and successful Wall Street speculator. It is undoubtedly true that in 1864 (as well as later) his ambition was to obtain control of the Erie Railway. Judging from the results that followed his subsequent ownership and control of the Harlem, Hudson River, and New York Central Railroads, it more than likely has been many times since then a matter of great regret to the holders of Erie securities that he had not followed to success the promptings of his early ambition and his later efforts toward the control of Erie. When Vanderbilt came into possession of the Harlem Railroad in 1863, that company's stock was a drug in the market at 30. Under his manipulation it advanced steadily, and at last he had cornered Harlem stock against the Street, and run the market on it up to 285 by the middle of 1864. Daniel Drew was caught in the Commodore's Harlem corner, and plucked to the amount of nearly a million. It rankled in his breast. He resolved on revenge. He bided his time, and it came—and Erie suffered, as a matter of course.

In 1866 Cornelius Vanderbilt had become the greatest power in the land in railroad control and management. He had practically secured, although all the details were not yet definitely arranged, absolute title to the New York Central system (having already secured the Harlem and Hudson River Railroads), and control of the Lake Shore Railroad from Buffalo, N. Y., to Toledo, O. He had retired from the Erie Directory in that year. His ambition and interest were to possess a through line between New York and Chicago by obtaining control of the Michigan Southern Railroad from Toledo to the latter city. This line was then the only one by which either the Erie or the New York Central might hope to secure a through route to Chicago, and the management of the Erie professed to be as eager for such a connection as Vanderbilt was. Whatever might have been the true motives of Drew and his associates in the matter, a desperate struggle for the winning of the intermediate thoroughfare began between the Erie and the Vanderbilt interests, with the Michigan Southern management inclined favor-

ably toward the Erie. The Erie stood at a disadvantage with Vanderbilt in the matter of obtaining the Chicago connection, because the New York Central system carried the Vanderbilt line direct to Toledo, while there was a necessary link of about ninety miles of railroad to be built from Akron, the nearest point on the Atlantic and Great Western Railroad, the new line that gave the Erie its only direct connection toward the West, before the Erie could touch Toledo. The Atlantic and Great Western was of the same gauge as the Erie, the six-foot or broad gauge. The Michigan Southern Railroad was of the standard gauge; but the management of the latter company was willing to enter into an agreement to lay a third rail on its route from Toledo to Chicago, whenever the necessary broad-gauge connection should be made between Akron and Toledo.

Erie stock began to show weakness early in 1866. The business of the road, although greatly decreased, owing to the falling off of traffic which the Civil War had created, was good. It could not be concealed that a speculative spirit was influencing the management. It was an open secret, in the Street, at least, that the brokerage house of Daniel Drew was constantly using Erie stock in Wall Street operations, and always to Drew's advantage, although the securities of the Company had to suffer discredit thereby. Drew became known as the "Speculative Director," and his associates in the Board must have known—for it was of common fame in financial circles—that depreciation of Erie stock meant individual gain to him, and that appreciation of the stock, in the line in which he was speculating, would be to him personal loss. The *New York Times* money article of April 6, 1866, referring to Drew in this respect, said that "as his influence now stands, and with the prevailing feeling against his conduct in Wall Street, it seems doubtful whether he will be suffered to have things his own way much longer, even in the Erie direction, blind and devoted as the majority of that Board have been to his financial lead and arbitrary control for years. The question is one of self-respect for their own determination."

It is one of the most unaccountable and lamentable facts in Erie history that there were men asso-

ciated with Daniel Drew in the Directory of the Company who made boast then, as they make boast to-day, such of them who live, of their personal probity and business integrity, yet who looked on in unprotesting acquiescence at his raids on the credit of the Company, the honor and good name of which he as well as they were bound as sworn trustees to protect.

The act of the New York Legislature authorizing the Erie reorganization in 1861 expressly provided that the issue of the Company's stock should not exceed the amount of the outstanding stock of the original Company and the then existing unsecured obligations of the Company, which were represented by the preferred stock, a result of that reorganization. The General Railroad Act of 1850 prohibited railroad companies from increasing their capitals by a direct issue of stock, but provided that a company could issue its bonds for the purpose of borrowing money to complete, equip, and operate its road. That provision of the law gave to railroad companies, however, a privilege which, intended for the benefit of corporations in that respect, led to the development of some of the most exciting incidents that furnish material for exceedingly enthralling chapters in Erie's history. This was the provision empowering any company issuing its bonds for the purpose prescribed, to insert in the bond a clause authorizing the holder of it to convert it into stock of the corporation, dollar for dollar. The idea and intent of this clause were that it would be an inducement to investors to pay a higher price for such company's bonds because of the possibility of its stock rising above par, in which case the bonds could be converted into stock at greater profit; but, according to acknowledged authorities on railroad law, the convertible privilege was made only to apply when money was actually borrowed on a bond issue. But such was not the construction that Daniel Drew, nor Jay Gould after him, put upon the law.

Early in 1866 Erie was quoted on 'change at 97. The Company was in need of money. That persistent *bête noir* of Erie, the floating debt, was lifting its head to plague the fated corporation. Daniel Drew had money to lend, thanks, in a great measure,

to his manipulations of Erie stock. There was also much speculation in his eye just then, and he had contracted for delivery at a certain future day, to various persons in Wall Street, many thousands of shares of Erie stock at the existing quotation, 97. Vanderbilt was then endeavoring to get possession of Erie by buying its stock, and also had in his mind the plucking of Drew by a persistent bull campaign in Erie. This was Drew's opportunity. The Company wanted money to pay the floating debt. Drew had money to lend. He made a proposition to the Company. This proposition does not seem to have met with the approval of every member of the Executive Committee, for it was discussed at their meetings from May 16, 1866, until June 26th following, before the potency of Drew's influence overcame opposition, and the Committee approved of it. June 9, 1866, the *Railroad Journal*, which had been the firmest of supporters and friends of the Erie for many years, published editorially and conspicuously this significant paragraph: "It cannot be disguised that very great uneasiness prevails in interested circles with regard to the condition of this road. We do not believe the road, with every advantage as to route and business, is doing as well as it might, that it is not earning any dividends, and is in a bad condition, track and rolling stock. But, on the other hand, if it wants money, and the relief it seeks cannot be had except by placing itself in the hands of a wealthy Director, we do not see how this can be avoided. The Directors are in possession of all the facts in the case, and cannot be supposed to be indifferent to their true interests. If anything is wrong about it they themselves are to blame. The public look to them for a proper guardianship of the vast and valuable property placed in their hands. If there is anything wrong in their management they will be held to a strict account."

Daniel Drew's proposition was that he would lend the Company \$3,480,000 for two years at 7 per cent., on 28,000 shares of stock, or \$3,000,000 convertible bonds at 60 per cent. as collateral, without margin for depreciation, payable as wanted for that amount, or any part thereof, at any time within four months, the Company to have the option of paying off the loan or any portion thereof on ten days' notice, and

retain all dividends. Drew's terms were agreed to by the Company on the above date, President Berdell being authorized to make the loan on his statement that "the floating debt of the Company amounted to about \$3,500,000, and that the material on hand amounted to more than that sum; that this accumulation of materials had been made necessary by new construction, which had ceased; that in his judgment the amount could be diminished by \$2,000,000, and the revenues, which would otherwise be applied to the purchase of new material, could be applied to the reduction of the floating debt, which, from time to time, as it matured, could be provided for by temporary loans on the bonds and stock of the Company, a plan which he thought practicable for relieving the Company of its floating liabilities."

Besides being thus equipped by that Erie loan for his raid on Wall Street, Drew had also at his disposal 10,000 shares of stock which the Company had obtained by taking advantage of the law authorizing any company to create and issue its own stock in exchange for the stock of another company whose property was under lease to it. The Buffalo, Bradford and Pittsburg Railroad was leased by the Erie Railway Company January 5, 1866, for a term of four hundred and ninety-nine years from January 1st of that year. The terms were a guarantee by the Erie of the interest on the bonds of the lessor company at 7 per cent., and all the taxes, charges, and operating expenses. The lease was signed by President Berdell of the Erie Railway Company and John Arnot, Vice-President of the Buffalo, Bradford and Pittsburg Railroad Company, Horatio N. Otis being Secretary of both companies, and all were Directors in Erie. When the convenience of Drew called for help, the stock of this leased company was changed into Erie stock and held for the emergency.

Upon receiving the \$3,000,000 issue of Erie convertible bonds, Drew immediately converted them into stock of the Company. With this great holding of stock he filled his contracts on the Street, but the sudden throwing of so large a block of Erie on the market forced the price below 70. In this operation Cornelius Vanderbilt was caught by his wily antagonist in a corner from which it cost him more

than one round fortune to extricate himself. This aid the Company gave to Drew in his stock-jobbing schemes opened the door of Erie to the entrance of scandal and other questionable transactions, the penalty for which the Company is to this day paying.

As early as the fall of 1865 Richard Schell, representing the Vanderbilt interest in Wall Street, suggested to members of the Board of Directors of the Erie Railway Company that the Boston, Hartford and Erie Railroad was sure to be a valuable property, and would become still more so by a connection with the Erie, a connection which would be of great future importance and profit to the latter. He said that it would be a wise stroke of business on the part of the Erie to secure a representation in the Board of Directors of the Boston, Hartford and Erie Railroad Company. A committee from the Erie Directory, acting on this suggestion, went over the line of the proposed Eastern railroad, and the result was that on December 8th Daniel Drew, Henry L. Pierson, Ambrose S. Murray, Robert H. Berdell, Dudley S. Gregory, Alexander S. Diven, and William Evans, of the Erie Board of Directors, were elected to the Boston, Hartford and Erie Board.

John S. Eldridge was President of the Boston, Hartford and Erie. He was a financier bred in the school of State Street, Boston, and his subsequent career in Erie affairs proved that the State Street school of finance was one not far behind that of Wall Street in the teachings of methods that kept always in view the best way of caring for No. 1, no matter what the consequence might be to the other person. The Boston, Hartford and Erie Railroad Company was organized under charters from Massachusetts, Rhode Island, and Connecticut, for the purpose of building a railroad from Boston to Fishkill, N. Y., a distance of 300 miles, with branches that would increase its length to 400 miles. The Company was capitalized at \$20,000,000.

March 28, 1866, President Berdell appointed J. C. Bancroft Davis, Daniel Drew, and Dudley S. Gregory a committee to confer with the Boston, Hartford and Erie Railroad Company in regard to the arranging of traffic relations between the two railroads. The Eastern company was particularly anxious to make

such an arrangement, although it had no railroad connection whatever with the Erie, and the prospects of having one were by no means bright. It was not so much the railroad connection that the company desired as it was a guarantee of a large amount of its bonds, which were by no means a very desirable investment just then. At last, on June 3, 1867, a meeting of the Executive Committee of the Erie Railway Company was called to consider an application from the Boston, Hartford and Erie Railroad Company that the Erie guarantee the payment of interest on \$6,000,000 of the Boston, Hartford and Erie bonds, on the promise of the Eastern company to set aside a certain amount of the receipts from its coal traffic to secure the Erie in its guarantee; in other words, giving a mortgage on receipts that could not materialize until the railroad was built, and which then depended entirely on the amount of the Erie's coal traffic itself, from which the business of the proposed Boston, Hartford and Erie Railroad was to be obtained. On that date A. S. Diven offered a resolution that such an arrangement be agreed to, guaranteeing the interest on \$4,000,000 of the Boston, Hartford and Erie bonds, on the security of future traffic, the receipts from which were to be set aside for repaying the Erie guarantee, and the resolution, with some amendments, was adopted June 5th. Directors Cushman, Davis, Diven, Drew, Gale, Gregory, Lane, Marsh, and Skidmore voted for it, and Berdell, Arnot, Pierson, Lanier, Murray, and Phelps against it. A contract embodying the arrangement was made and signed October 8, 1867, by the representatives of the two companies.

The report of the Boston, Hartford and Erie Railroad Company for 1867 stated that 245 miles of the road were ironed and in operation, with twelve locomotives, twelve passenger cars, and sixty mercantile cars as its rolling stock. There were ten mortgages on the road and its franchises, and the funded and floating debt was \$10,326,406. The road had cost nearly \$20,000,000. The total income of the company in 1867 was \$369,577. It was a well-known fact that the stock and bonds of the company had been sold and hypothecated far below 100 cents on the dollar. The guaranteeing of these bonds by

the Erie Railway Company secured also to the manipulators of the Boston, Hartford and Erie Railroad Company a loan of \$3,000,000 from the State of Massachusetts. The comforting announcement was also made in the public prints that "the Boston, Hartford and Erie has only to build a little more than 100 miles of railroad between Hartford and Fishkill, when a broad gauge will be in operation from Boston to St. Louis." If there ever was a pig-in-a-poke transaction this of Erie's with that Boston clique was certainly the one.

Cornelius Vanderbilt added the New York Central Railroad to his possessions in 1867, and he then turned his eyes again on Erie. He resolved to get control of that Company also. He counted on the aid of the Boston, Hartford and Erie people in this project, and favored the election of John S. Eldridge to the Presidency of Erie. This was objected to by President Berdell, and resulted in a break in the relations between him and Vanderbilt. Berdell opposed strenuously all of the action of the Company in the matter of the Boston, Hartford and Erie bond guarantee, and warned the Company of its consequences—a warning that if heeded would have saved the Erie millions of dollars. Vanderbilt was still vengeful toward Daniel Drew for cornering him in Erie in 1866 and stripping him of a good share of his millions, but as the Erie election for 1867 approached, Drew made his peace with Vanderbilt by promising to let up on his opposition to the Commodore's getting control of the Erie, and to aid him toward that consummation. Rumors reached the Street that a compromise, if not an alliance, had been made between the two arch speculators. This was sufficient to disquiet the Street, for, with Drew and Vanderbilt working together, no one could foresee what might happen. When the Erie election came, however, and (October 8, 1867) the influence and strength of Vanderbilt in Erie affairs were manifested by the defeat of Daniel Drew as Director, and the election of Frank Work, a well-known Vanderbilt lieutenant, to a seat in the Board, and the subsequent choice of John S. Eldridge as President of the Company, any apprehension that might have existed of a Drew-Vanderbilt alliance was dispelled, and it

seemed that the downfall of the great Erie speculator was complete.

At this surprising election, Jay Gould and James Fisk, Jr., were made members of the Board. They were practically unknown outside of Wall Street, where, as a member of the firm of Smith, Gould, Martin & Co., Jay Gould had attracted attention as a shrewd and long-headed operator. Fisk was familiar as the blustering, dashing, over-dressed head of the house of Fisk & Belden, brokers. It is not recalled that there had been more than a passing acquaintance between Gould and Fisk until their election as Erie Directors. This remarkable Board of Directors was made up in full as follows: John S. Eldridge, Eben D. Jordan, Josiah Bardwell, James S. Whitney, of Boston; J. C. Bancroft Davis, Alexander S. Diven, William Evans, James Fisk, Jr., Jay Gould, Dudley S. Gregory, George M. Graves, Frederick A. Lane, Homer Ramsdell, William B. Skidmore, Henry Thompson, Frank Work, Levi Underwood.

The Boston interests were strongly represented in the Board, and Homer Ramsdell was the conservator of Newburgh's interests. The new Directors Henry Thompson (who was a brother-in-law of Eldridge) and Frederick A. Lane became conspicuous figures in events that were soon to make the name of Erie familiar in the most remote corners of this and other lands, and not to its honor or credit. Levi Underwood was an ex-Lieut. Gov. of Vermont. He was a friend of Vanderbilt. Jay Gould was so little known then that the newspapers, in printing the names of the new Erie Directors, printed his as "J. Gould," whether the J. stood for John, James, Joseph, or Jeremiah few of them could have told; and some of the papers printed Fisk's name with a final "e," and two recorded the future "Prince of Erie" under the cold and irresponsive name of "Fish." But plain J. Gould and unfamiliar Fiske or Fish found their names in the papers, correctly and in full, before many weeks had passed away from the election of that historic Erie Board.

The administration of President Berdell may be said to have marked a period of transition in methods of operation and equipment of the railroad—the

beginning and progress in improvements then radical in their changes from old to new systems of railroad-ing, such as the use of coal instead of wood as fuel for locomotives, steel instead of iron in the mechanism of rolling stock, and the introduction of automatic couplers on passenger trains, and safety and labor-saving attachments of various kinds. The dawn of greater expansion of the Erie system also came with the Berdell management. The official records of this administration for the years 1864, 1865, and 1866 are therefore of more than ordinary historical value in the story of Erie's career, as the following extracts from them will show:

1864.

In 1863 the Directors had called the attention of the stockholders to the fact that increased motive power and rolling stock were necessary. There was still existing this same necessity. The road was comparatively well supplied with cars, except passenger and coal cars, but there was a great deficiency in locomotives. Extra service was required of them, and the shops were inadequate to keep them in repair, even when any could be spared for that purpose, and more shops had to be provided. The road did not anticipate so large an increase in the rolling stock as had been found necessary for the increased and constantly increasing business offered. To meet this want the Company began the erection of new shops at Susquehanna, Pa. Lack of motive power had made the running of the railroad more expensive than it otherwise would have been. Contracts were made in 1864 for sixty-seven engines of the most approved pattern, to burn coal. The Company was building coal cars in its own shops at the rate of three a day. Passenger cars were also being built in the Company's shops upon "the most approved plans, in a manner that is confidently believed," said the report, "will compare in the most favorable manner with any similar kinds of cars on any road. It is expected that the requirements of the travelling public will be fully met in the increased comfort of these truly complete coaches."

With less provision for increased capacity than was being made, the large amount of business thrown upon the road by the opening of the Atlantic and

Great Western Railway would become a source of embarrassment instead of profit. The managers of that road had already complained of the Erie's inability to do the business resulting from the connection, although the Atlantic and Great Western had not yet been operated as a through line to Cincinnati or St. Louis. "We are assured by the managers of the roads forming the broad gauge connection to the Ohio and Mississippi rivers that by May or June (1865) their roads will be fully equipped. And with this assurance the managers of this Company would hardly be held excusable for failure to prepare for so important an accession to its permanent business."

The report announced that "the Buffalo, Bradford and Pittsburgh Railroad, connecting with the Erie Railway at Carrollton Station, 405 miles from New York and 54 miles from Dunkirk, will be open for use during the coming summer. This road from its connection with the Erie to Lafayette is about 24 miles in length, and will ultimately, and at no distant period, be carried into the very heart of the great bituminous coal region of the State of Pennsylvania. When opened to Lafayette, it will reach a point where coal, iron, and lumber can be obtained in almost inexhaustible quantities. It will become the natural outlet for the coal and iron from that great mineral region to New York, Canada, and the Western States, and will be a source of largely increased business to the Erie Railway. The growing scarcity of wood for locomotives has been a source of much anxiety, but with the opening of the Buffalo, Bradford and Pittsburgh Railroad, and the supply of coal from other tributaries of the Erie, a source of much disquietude will be removed, as the supply of coal will be ample for fuel, and the cost between the supply of wood and coal for locomotive use will be at least one-third in favor of the latter article."

Increase in expenses was explained by a great advance in the price of coal, "of which a large amount is now used in the engines"; by increase in the cost of repairs, due to "the large amount of new iron laid down in 1864," 20,480 tons having been put down at a cost of \$2,132,725.01, while in 1863, 13,967 tons cost but \$817,609.67, a difference of only 6,513 tons, but a difference in cost of \$1,315,115.34.

The average cost of railroad iron in 1863 was \$58.66 a ton; in 1864 it was \$105. The amount of new iron estimated to be required for 1865 was 10,000 tons, at the existing price, \$105 a ton.

1865.

Increase in freight traffic, particularly through West and way East, and in passenger traffic of all classes, but particularly way, was noted. Increased expenses were due to enhanced cost of fuel; substitution of steel for iron in renewal of axles and tires; and general improvement of bridges, ties, and ballasting. There had been a great decrease in the cost of railroad iron, it having fallen to \$90 a ton. Thus 20,170 tons were laid in 1865 at a cost of \$1,815,300, against 20,480 tons in 1864 that cost \$2,132,725.01. During the winter and spring of the year there had been severe floods, more destructive in their effects than any that had ever occurred along the line. The new shops at Susquehanna were progressing, and \$379,056.13 had been expended on them during the year. Depot, engine-houses, and shops were building at Salamanca, and had thus far cost \$77,145.72. The ferry-boat "Pavonia" was built and cost \$121,216.

The branch roads leased and operated were the Buffalo Division, Corning to Buffalo, 140 miles; Rochester Division, 18 miles; Canandaigua and Elmira, 66 miles; Hawley Branch, 16 miles; total, 240 miles, which, with main line, Jersey City to Dunkirk, 460 miles; Piermont Branch, 18 miles; Newburgh Branch, 19 miles; Northwestern Division, Hornellsville to Attica, 60 miles, gave 797 miles of track in the Erie system. The Wallkill Valley Railroad was operated, but not leased.

"Negotiations are now in progress for the transfer of freight at New York and Jersey City by contract, based on the actual tonnage. It is expected that this will result in large reduction of expenses at these points. If so, similar contracts will be made at other large stations."

1866.

"The \$3,000,000 first mortgage bonds mature and become payable July, 1867. Previous to their maturity it is the intention of the Company to invite

proposals for their extension for thirty years at 7 per cent. under authority given by the State of New York." Such notice was given April 1, 1867.

"The road was never in a better condition to transact business with economy and dispatch, and although the net results of last year have fallen short of expectation of the Board, yet that result is mainly attributable to causes which will be inoperative in the future, prominent among these the fact of the suspension of the transportation of coal for the Pennsylvania Coal Company for a period of three months and a half, resulting not only in loss of profits due to that business, but also involving this Company in a penalty of upward of \$98,000, the liquidated damages for non-compliance with the contract between the two companies. This contract has since been modified and arranged to the mutual satisfaction of both parties.

"Ruinous competition between competing lines during the first six months of the year also seriously lessened the profits of the year. The heavy government and local taxes have been a serious drain on the revenues of the Company. The dilapidated condition of the Buffalo Branch and its equipment at the time they came into the possession of the Company, have cost upward of \$1,000,000 to put in good condition."

Hugh Riddle, General Superintendent of the railroad, reported December 31, 1866, that "the condition of the motive power and equipment of the road will, I am confident, compare favorably with any

road in the country, and reflect credit on the officers in charge of that department. The track, roadway, and bridges throughout the whole extent of your road have very perceptibly improved during the past year, until I feel warranted in saying that the Erie Railway is in better condition and better equipped than at any period during the past ten years. Trains have run with great regularity and exemption from accidents, with the exception of a few casualties attending the movement of oil in bulk." (This report of the condition of the railroad and its equipment is interesting in view of the report made on the same subject a few months later, as will appear.—*Author.*)

Miller's car platform, coupler, and buffer was adopted on passenger trains, and was described as "a movement in the right direction, and has already in several instances averted serious damage and perhaps loss of life." (Miller's platform, coupler, and buffer, the invention of Dr. Ezra Miller, of Mahwah, N. J., will be remembered as the first great improvement in that class of railroad equipment. By it the platforms were brought close together, easing the jolting and jerking in starting and stopping of trains, and forming a perfectly smooth and safe passageway from one coach to another. As it was a continuation of, and on a direct line with, the sills of the coaches, the danger of telescoping of trains in case of collision was greatly lessened. This attachment was not superseded by anything better for a score of years.—*Author.*)





JOHN S. ELDRIDGE.

## CHAPTER XV.

### ADMINISTRATION OF JOHN S. ELDRIDGE—1867 AND 1868.

**Drew's Defeat Only Apparent** — A Truce Between Him and Vanderbilt Broken, and Drew Resumes His Former Status in Erie — Vanderbilt Undertakes to Capture Erie by Buying Up its Stock, and Runs Against Drew and the Erie Printing Press — The Famous Conversion of Millions of Bonds into Stock that Drew Delivered to Vanderbilt Greatly to the Latter's Loss and Chagrin — Then the Long Series of Suits, Cross-suits, Injunctions, and Counter-injunctions — Judge George G. Barnard and Erie — Flight of President Eldridge, Drew, Gould, Fisk, and the Erie Treasury to New Jersey — The Erie Scandal Reaches the Legislature, and Breeds New Scandal There — The Surrender of Drew, and the \$5,000,000 Settlement with Vanderbilt — Official Story of it All.

WHILE Daniel Drew's apparent fall was by no means a cause for regret to the true friends of the Erie Railway Company, it had to them a dreadful significance as the beginning of that ascendancy of the Vanderbilt interest in the Company that they had long feared. Vanderbilt domination meant entire subordination of the Erie and its interests to the New York Central. It was not long, however, before the outside friends of Erie were still further mystified by the resignation of one of Vanderbilt's partisans in the Directory (Underwood), and the election of the deposed Drew to the vacancy, a move that was promptly followed by the great speculator's appointment to his old place as Treasurer. It is held to-day by many who say they have good reason to know, that the rumored alliance of Drew and Vanderbilt was not merely a rumor, and that the deposing of Drew by Vanderbilt at the October election was simply a collusive trick to deceive the public. As proof of this they point to the quick restoration of Drew to place and power in the new Erie management. Others who claim to know as much about the truth of the situation as any one else declare that the overthrow of Drew by Vanderbilt was bona fide, and that Drew, ever wily, diplomatic, and plausible, had secured his own restoration to power. The weight of evidence is in favor of the ante-election compact; but no matter which was the fact, the result could be but the same to Erie—misfortune, shame, pillage. Vanderbilt and Drew operated in the Street together—or, at least, not in opposition—for nearly half a year. Then suddenly it became known on the Street that Vanderbilt had resolved

to get absolute control of the Erie Railway Company as the best means to carry out his private ends as well as to control matters in relation to the New York and Chicago connection. This determination, it was further asserted, had been brought about by the fact that the new President of the Erie Railway Company had not carried out his part of the programme agreed upon between him and Vanderbilt. It seems that as time passed the new President had become greatly impressed with the genius of Daniel Drew, and as the Vanderbilt succession to Erie had not assumed a condition of certainty that warranted longer alliance with the Vanderbilt interest, the manipulator of the Boston, Hartford and Erie scheme transferred his allegiance to the sagacious Drew.

General Diven brought before the Board of Directors, December 4, 1867, the question of the broad-gauge connection with Chicago, and offered a resolution authorizing the President, Vice-President, and Treasurer of the Erie Railway Company be a committee to act on such recommendations as the committee might make in the matter. The resolution was adopted. This committee made its report February 18, 1868, which was an agreement with the Michigan Southern and Northern Indiana Railroad Company for the laying of a third rail from the Atlantic and Great Western Railroad from Cleveland to Toledo and westward, thus forming a broad-gauge route to Chicago, and for operating the line. The agreement was approved and signed by President Eldridge, of the Erie, and E. B. Phillips, President

of the Michigan Southern and Northern Indiana Railroad Company.

All these things set Cornelius Vanderbilt to thinking. The more he thought, the more the transgressions of Daniel Drew and the deviousness of his ways as between man and man appeared to him in all their enormity. Something must be done to stop Daniel Drew in his career, and, incidentally, to open an easier way to proprietorship in Erie. February 17, 1868, something was done. On that day Frank Work, the member of the Board of Erie Directors elected in the Vanderbilt interest, applied through his attorneys, Rapallo & Spencer, to Judge George G. Barnard, of the Supreme Court of New York, for an injunction against the Board of Directors of the Erie Railway Company, to restrain them from the settlement of certain outstanding accounts between Daniel Drew, Treasurer of the Company, and the Company itself. These accounts were the ones resulting from the transaction between Drew and the Board in 1866, and which had not yet come to settlement. This action was begun in the interest of Vanderbilt as incidental and auxiliary to his efforts to buy a majority of Erie stock, as it might guard him, as he said, "against any increase of the gross amount of that stock through a repetition on the part of Mr. Drew of his former ingenious expedient," meaning the conversion of bonds into stock. The injunction was granted, and, two days later, Vanderbilt made another assault on Drew and the Erie, under the statute authorizing the removal of officers or directors guilty of misconduct, and petitioned before Judge Barnard, through Attorney-General Marshall B. Champlain, in the name of the people, for the removal of Daniel Drew as Treasurer of the Erie Railway Company.

The grievance that prompted this move on the part of the Vanderbilt interest was, that although they had been buying Erie stock right and left for weeks, they found the market still flooded with it, and there seemed to be as much of it for sale as if never a single share of Erie had been sold. Vanderbilt traced the responsibility for this prodigality in Erie shares to the resourceful Drew, and found that something had to be done at once to block the game

of that wily speculator. On the very day this last Vanderbilt move was made, February 19, 1868, the Erie Board of Directors passed this resolution:

It being necessary for the completing, finishing, and operating the road of the Company, to borrow money, *Resolved*, That under the provisions of the statute authorizing the loan of money for such purposes, the Executive Committee be authorized to borrow such sum as may be necessary, and to issue therefor such security as is provided for in such cases by the laws of this State; and that the President and Secretary be authorized under the seal of the Company to execute all needful and proper agreements and undertakings for such purposes.

This was immediately followed by the issuing of \$5,000,000 in convertible bonds, which were at once converted into stock, and this was fed to the Street through the brokerage houses of Smith, Gould, Martin & Co., Robinson, Cox & Co., and William Heath.

In the petition for the removal of Drew as Treasurer of the Erie Railway Company, the main charge of misconduct against him was that he and other Directors "had induced the Erie Board to lease and contract to complete a certain worthless connecting road, mainly owned by them, and known as the Buffalo, Bradford and Pittsburg Railroad. Having done this, they had then, since January 1st, procured the issue of a large amount of Erie stock in exchange for the stock of this road."

The Buffalo, Bradford and Pittsburg Railroad was a road extending from the main line of the Erie at Carrollton, N. Y., 60 miles east of Dunkirk, the building of which the Erie Railway Company had insured by endorsing its bonds. This agreement was made January 1, 1866. In the time when Charles Minot was General Superintendent of the Erie, certain persons not entirely disinterested in the same Company, purchased large tracts of land in McKean and other counties in Pennsylvania, which were alleged to be valuable coal lands. To develop the territory a railroad was necessary. The Buffalo, Bradford and Pittsburg Railroad Company was formed, but very little was ever done toward completing it until the Erie Railway Company leased it and practically assumed all its responsibilities by agreeing to buy its 7 per cent. construction bonds, which were convertible into stock. This was done, and the stock exchanged at 80 for Erie stock at par.

Vanderbilt's allegation was that "the Buffalo, Bradford and Pittsburg Railroad was not properly under lease to the Erie Railway Company, and that Daniel Drew had obtained the issue of the Erie stock simply to throw it on the market."

Judge Barnard, on this petition, issued an order suspending Drew from his office of Treasurer of the Erie Railway Company, and ordered him to appear on February 21st and show cause why the prayer of the petitioner should not be granted, the same day having been fixed by Judge Barnard for further hearing in the proceedings begun by Director Frank Work. Drew appeared, with David Dudley Field, John E. Burrell, Dorman B. Eaton, Clarkson N. Potter, and others as his counsel. A motion to dismiss the writ for want of jurisdiction was denied by Judge Barnard. Both hearings were postponed, and on March 3d Judge Barnard granted an injunction restraining the defendants from any further conversion of bonds into stock, or from issuing any capital stock in addition to the 241,058 shares appearing in previous reports of the Company, and from issuing or hypothecating any of the Boston, Hartford and Erie bonds that the Erie Railway Company had endorsed and guaranteed, and from proceeding toward carrying out the agreement with the Michigan Southern and Northern Indiana Railroad Company in respect to the construction of the broad-gauge railroad from Akron to Toledo. The writ also ordered Daniel Drew to restore to the Erie Railway Company the 58,000 shares of stock delivered to him in May, 1866, and the 10,000 shares received in exchange for the Buffalo, Bradford and Pittsburg bonds. March 10th was named as the day for a hearing on this and all the previous proceedings in the Vanderbilt-Drew embroglio.

But injunctions did not worry Daniel Drew. In spite of this one, he converted \$5,000,000 of bonds into Erie stock, and put the proceeds on the Street. In less than two weeks the Street had taken 100,000 shares of Erie, for which \$7,000,000 had been paid, and Vanderbilt and his friends got the most of it, besides the 58,000 shares issued by Drew in 1866. If they had not made their contracts good, which they did at great loss, a wild panic would have resulted. As it was, the excitement and demoraliza-

tion made by this continuous flow of Erie stock caused both Exchanges to take action against it. They ordered officially that no certificates of Erie stock bearing date after March 7th should be a good delivery, or recognized in any way. This had an effect that the solemn orders of the court had failed to produce.

Before March 10th, the day set for a further hearing in the Vanderbilt suit, came round, Daniel Drew had prepared a surprise for his antagonists. On March 5th his counsel obtained from Judge Ransom Balcom of Broome County, N. Y., an order suspending Frank Work from the Directory of the Erie Railway Company, on allegation that he was acting in the Board against the interests of the Company, and in the interest of the New York Central Railroad Company, to the great injury of the former. Judge Balcom also issued a writ ordering all the parties in the proceedings already begun to appear before him at Cortlandville, N. Y., on March 7th, and staying all further proceedings meantime.

March 7th there appeared in the public prints a report by the Executive Committee of the Board of Directors of the Erie Railway Company to the stockholders, in which all the allegations made against the management of the Company in the Vanderbilt suits were denied, and which declared that the Directors had moved in entire good faith in all they had done in raising money, and for a purpose single to the interests and demands of the road. New rails were badly needed, a double track was rapidly becoming a necessity, better terminal facilities must be secured, new rolling stock must be purchased, elevators, ferry-boats, depots, etc., must be built. The Company had made a contract with the Michigan Southern and Northern Indiana Railroad Company, according to this statement, by which the latter was to put down a third rail on its road as soon as other parties had completed a third rail to Toledo, thus giving the Erie a through Chicago connection. To accomplish this the Board of Directors of the Erie Railway Company consented to deposit bonds of the Boston, Hartford and Erie Railroad Company, issued under agreement between that company and the Erie Railway Company, as collateral with the parties who were to lay that third rail. The committee did

not state, though, that those Boston, Hartford and Erie bonds had no value until they were endorsed by the Erie Railway Company to the amount of \$5,000,000. The contention of the Executive Committee that by these charges the Erie Railway Company was suffering deep and unjust injury was apparently strengthened by two letters of General Superintendent Hugh Riddle, which were incorporated in the report, and which made a most deplorable showing for the condition and equipment of the road. He estimated that the property could not be sufficiently repaired and renewed for a less amount than \$8,787,000; but, at the same time, the fact that the property of the Company should be in such a dilapidated state, with all the money the management had raised during the past two years for the ostensible and declared purpose of improving it, was a fact to weaken and discredit the Committee's statement. There can be no doubt of their further statement, however, that if they had consented to carry out the plans Vanderbilt had made for the future of Erie, the discreditable situation would not have been taken into the courts.

The proceedings before Judge Balcom brought about another complication in this rapidly entangling state of affairs. When his writ was served on the plaintiffs, they, through Richard Schell, obtained from Judge Ingraham, of the New York Supreme Court in New York City, an order enjoining the Board of Directors of the Erie Railway Company from meeting, or transacting any business whatever, without the presence of Frank Work in the Board. Then the Drew forces made a new move. Dudley Field, on the morning of March 10th, went before Judge Gilbert, in Brooklyn, N. Y., with a petition made by William Belden, of the Wall Street firm of Fisk & Belden, alleging that a combination to ruin the Erie Railway Company had been formed by Cornelius Vanderbilt, Richard Schell, Augustus Schell, William H. Vanderbilt, and others, among them the Hon. George G. Barnard, Justice of the Supreme Court of New York, and asking for a writ restraining all the parties in the previous suits from proceeding further, ordering the Erie Directors, with the exception of Frank Work, to discharge the duties of their places, and directing the further issue

of convertible bonds. Judge Gilbert granted the injunction, and fixed March 18th as the day for further hearing before him in Brooklyn. "Here was the turning point in the struggle," said Charles Francis Adams, Jr., in his scathing review of this chapter in Erie, which he tersely called "The Erie Railroad Row," somewhat incorrectly, as it was the Erie *Railway* row. "The wily Drew had again, in face of the courts and the Exchange, regardless no less of the processes of law than of the elements of morality, repeated the strategy of two years before. The stock of the road, of which he was Treasurer, fell fifteen per cent. in about as many minutes, and Vanderbilt and Wall Street realized that in selling 'short' so boldly, this 'Speculative Director' had not reckoned without his host."

The Vanderbilt-Drew litigation had now become so confused and entangled, with writs and motions and counter-motions, that when, on March 10th, the parties to the litigation came before Judge Barnard, counsel for both sides were bewildered as to what move to make next, and Judge Barnard adjourned the proceedings until March 14th. A bold and entirely unexpected *coup* was made by the Erie party on the 12th, which changed the whole course of these litigious events, the news of which fell into the Vanderbilt camp like a bomb. Probably restful under the uncertainty of judicial procedure, and believing that the situation had assumed a degree of complication that demanded heroic treatment, Daniel Drew, accompanied by President Eldridge, Jay Gould, James Fisk, Jr., and all the other members of the Board of Directors except Alexander S. Diven, Frederick A. Lane, William B. Skidmore, and J. C. Bancroft Davis, fled from New York in the night, and took up his quarters in Jersey City, not forgetting to carry with him all the Company's books, papers, funds, etc. Directors Diven, Davis, and Skidmore were arrested and arraigned before Judge Barnard on charge of contempt of court.

Drew, his fellow-Directors, and all the books and papers of the Company now being out of the jurisdiction of the New York courts and of legal reach of the Vanderbilt people, the proceedings in this remarkable litigation took a new turn. At the hearing before Judge Barnard in the matter of Directors

Diven and Skidmore, Judge Barnard held the accused in nominal bail, and issued an alias for the missing Directors, announcing that he would hold them in \$500,000 bail each should they be brought before him. Horace F. Clark, of counsel for the Vanderbilt interests, asked for an order of court appointing a Receiver into whose hands the "seven to ten millions of dollars which had been realized from sales of Erie stock," in violation of an injunction, should be placed, and the matter sent to a referee for a hearing. Against the protests of the Drew counsel, Judge Barnard issued the order requested, and appointed George A. Osgood Receiver. As Osgood was a son-in-law of Cornelius Vanderbilt, and a close personal friend of Judge Barnard, who stood charged in the affidavit made before Judge Gilbert with being an accomplice of his and Vanderbilt in the alleged Erie conspiracy, the appointment naturally prompted much suggestive criticism.

The ink was scarcely dry on the order appointing the Receiver before counsel for the Erie Directors had obtained from Supreme Court Judge Clerke of Ulster County, on petition of George M. Diven of Elmira, an injunction staying all proceedings in the Receivership matter until the first Monday in April, 1868. The venue in this proceeding was placed in Steuben County. Proceedings in the matter of the injunction obtained from Judge Gilbert by the Drew party on the Belden affidavit came up before that judge on March 18th, as appointed, and he dismissed the writ, declaring indignantly from the bench that he had been deceived into issuing it. Thus relieved from that injunction, the Vanderbilt contingent resumed operations on the old line, and filed a motion before Judge Barnard, on March 19th, for the purpose of having the question of the Receivership settled. Judge Barnard issued an order citing the Drew party to appear before him and show cause why Judge Clerke's restraining order should not be vacated. The defendants answered this through counsel with another injunction, issued by Judge Clerke, which was so sweeping that it enjoined all further proceedings on the part of the plaintiffs in any of the actions already begun, and forbade the beginning of new ones, and restrained all actions in the appointment of a Receiver by the

court, and enjoined all clerks of the Supreme Court of New York from entering any order for such appointment. In defiance of this writ, however, Judge Barnard proceeded in the Receivership matter, and a clerk of the Supreme Court was found possessing sufficient temerity to enter on record this order for Osgood's appointment. But even if no further move had been made to interfere with his Receivership, Osgood would have had some difficulty in performing the duties of a Receiver, for the millions he was appointed to receive and adjudicate upon were safe in the watchful custody of the Erie fugitives across the Hudson, in an alien State, and it is not likely that they would have gathered them together, hurried with them to the Receiver, and poured them into his lap.

Osgood was not permitted, however, to enjoy even the empty honor of the place. An appeal from Judge Barnard's order was taken to the General Term. This was not argued until April 8th, but in the meantime, on March 27th, Judge Ingraham had granted an injunction, the tenth in this remarkable and by no means laudable litigation, by which Osgood was enjoined from acting as Receiver, pending the appeal. The decision was handed down on June 30th. Judges Barnard and Cardozo sustained the appeal (Barnard having issued the original order of Receivership), and Judge Ingraham dissented. Pending this appeal, Peter B. Sweeny, of the Tammany Ring, had been appointed by Judge Barnard Receiver of the Erie Railway Company in place of Osgood, for what reason was not plain to the common people.

The popular excitement over the "Erie War," as these scandalous proceedings were called, was intense. The questionable operations of the principals in the litigation were supplemented by open insinuations that judges concerned in the matter were guilty of bribery and corruption. The subsequent fate of at least two of the judges (Barnard and Cardozo) went a great way toward substantiating these allegations, for they were removed in disgrace from their high office, on impeachment proceedings taken on charges among which these Erie scandals were much in evidence.

The anti-Erie party held that their cause was the holy one, and that it was the duty of the newspapers and the public to sustain it. The Erie party declared that theirs was the righteous cause, and that they were doing battle against monopoly, and endeavoring to avert the evil consequences to the public which would result from the success of their adversaries. The Chamber of Commerce favored the Erie side, on the ground that the success of Vanderbilt would result in the consolidation of the Erie and New York Central Companies, and in the placing of New York at the mercy of a gigantic railroad monopoly.

The flight of Drew and the rest did not strengthen the Erie cause in popular estimation. It was an admission that their contention was an untenable one. They had failed to justify the over-issue of stock, and to extricate themselves from the dilemma they made petition to the New York Legislature to legalize their acts, they having in the meantime obtained from the New Jersey Legislature an act legalizing domicile of the Company in that State. The Erie petition was referred to the Railroad Committee of the New York Assembly, which held it in consideration three weeks, and then reported adversely upon it, which report was concurred in, March 27th.

In the meantime, the Erie muddle and its scandals having become of common notoriety, the New York Senate had taken the matter up, and a special committee, consisting of Senators Pierce, Bradley, Mattoon, Chapman, and Humphrey, was appointed to examine into the condition of the Company and the charges of corruption made against its managers. (Page 445, "Under the Legislative Probe.") A majority and a minority report were the result of this investigation, the minority report sustaining the Erie management, and recommending the passage of the legalizing bill asked for. Senator Mattoon at first agreed to sign this report, with Senators Chapman and Humphrey. The day before the committee reported, however, he called on the fugitive Erie officials at Jersey City, and submitted the report to them. This was on March 30th. According to testimony given before the Investigating Committee, he told the Erie people that "the majority of the

committee had found the thing all right, and thought it was an act of justice to the committee that some representative of the road should go to Albany and explain away the prejudices against the Erie bill."

The Erie exiles in Jersey City had been hiding there under protection of the police, to be guarded against the possibility of being kidnapped by emissaries of their opponents, and of being carried by force back to New York State. Fear of arrest had also prevented them from being properly represented at Albany, although Charles O'Connor, of Vanderbilt's counsel, guaranteed Daniel Drew immunity from arrest and safe return to Jersey City if he would simply appear for examination before the Investigating Committee, which he did not seem inclined to do. When Senator Mattoon submitted the report to them at the Taylor House, the Erie people decided that it would be well for some one of them to go to Albany and give attention to important business there. It was accordingly resolved that an attachment which had been issued against Jay Gould by Judge Barnard on Monday, March 30th, and which was returnable on Saturday, April 4th, should be submitted to, and the Messrs. Field, it was claimed, made an agreement with Sheriff James O'Brien that Mr. Gould should be present then, and that he should not be arrested before that time. Thereupon, on March 30th, Mr. Gould left Jersey City. It was given out at the headquarters of the Erie party in that city that he was on his way West to complete the arrangement with the Michigan Southern and Northern Indiana Railroad Company for the laying of the 87 miles of broad-gauge track from Akron to Toledo. On the morning of March 31st, however, the following despatch, received by David Dudley Field, threw the Drew faction into great trepidation, and confused the public as to the westward journey of Mr. Gould:

ALBANY, March 31, 1868.

*David Dudley Field, New York:*

I am just arrested by the Sheriff, returnable Saturday. This is in violation of your agreement with the Sheriff. Bail, \$500,000.  
JAY GOULD.

It seems that Mr. Gould had arrived at Albany on Monday and taken rooms at the Delavan House. This fact was telegraphed to New York by emissaries

of the other side, and counsel for that side applied to Judge Barnard for the issuance of a writ to Sheriff Parr, of Albany, commanding him to arrest Jay Gould at once. The instructions to the Sheriff reached him at 1 o'clock Tuesday morning, and he took Mr. Gould into immediate custody at his rooms at the hotel. Erastus Corning, on notification from Gould, immediately became bail for Gould's appearance before Judge Barnard on Saturday, April 4th.

On April 1st the Senate Committee made its report on the Erie bill, and Jay Gould's surprise may be imagined when he found that Senator Mattoon had changed his mind, and signed a report strongly censuring Drew, Eldridge, Gould, Fisk, and the rest, and approving of the charges made against them, the other signers being Senators Pierce and Bradley. Senators Chapman and Humphrey were left alone on the report recommending the legislation asked for by the Erie management—the very report Senator Mattoon had exhibited at Jersey City, and which the Erie Railway Company had had printed at its own expense, as was sworn to before the committee. The popular explanation for this sudden change on the part of Senator Mattoon was that he had met with more encouragement from the Vanderbilt side than he had received from the Erie. The *New York Tribune* flatly charged that he had been paid \$20,000 for changing his mind.

This presentation of two reports by the Senate Committee on the subject, however, showed a feeling so different from that which had been a few days before expressed so emphatically in the Assembly, that the future of the legislation became of intense interest. Up to the making of the report by the Railroad Committee of the Assembly, the Erie interests in this legislation had no apparent head or effective direction, while the opposite side was ably represented in the lobby. So conspicuous had been the pressure of anti-Erie influence at Albany that on the day the Senate Committee made its two reports, and, after long discussion, decided by an impressive majority to refer both reports to the Committee of the Whole for future action, E. M. K. Glenn, Member of Assembly from Wayne County, rose in his place and charged that "the Assembly report on the Erie Railroad bill was bought, and

that a portion of the vote on this floor, in adopting said report, was bought." He declared that a member had offered him \$500 if he would vote against the Erie bill; that another member had been offered \$500 for a similar vote, and that still another had been offered \$1,200. The *New York Herald* said in its money article of April 1st:

The scene in the Assembly to-day when the pot called the kettle black on the subject of bribery and corruption in connection with the recent adverse report of the Railway Committee on the bill legalizing the acts of the Erie Company, excited much amusement in the Street, and it goes to show, if the assertions of Mr. Glenn are true, that the "unanimous vote" of the Committee against the bill, and the vote of the Assembly accepting the Committee's report, were paid for in the Central interest.

Mr. Gould was taken from Albany to New York in the custody of Sheriff James O'Brien, and arraigned before Judge Barnard on April 4th, for a hearing on a charge of contempt of court. Although Judge Barnard and Vanderbilt's counsel were inclined to proceed summarily in the case, David Dudley Field, ex-Judge Pierrepont, James T. Brady, and others of Gould's counsel showed that the court was taking a course not strictly according to law or practice, and one that was likely to make future difficulty for itself, and the Judge decided that there appeared to have been a mistake, and he adjourned the proceedings until April 8th, but insisted that Jay Gould must execute a further bail bond, with two sureties who could qualify in \$50,000 each, and volunteered the declaration that if Mr. Gould were convicted on the charge, the court would order him to refund the whole of the \$10,000,000 worth of Erie stock which had been issued in violation of the order of the court. Immediately after the adjournment of this action, the Sheriff was served with a writ of habeas corpus, commanding him to forthwith produce the body of Jay Gould before Judge Barrett of the Common Pleas. All the eminent counsel on both sides were present at the hearing, and the arguments took up the time of the court until 6 o'clock, when Judge Barrett transferred the custody of Jay Gould from the Sheriff to an officer of the Court of Common Pleas, and appointed James A. Oliver as such officer, to have charge of Gould until he should appear at the adjourned hearing before Judge Barnard on

April 8th, and proceedings in the habeas corpus case were put over until the morning of April 7th. Immediately after this result, Mr. Gould, being anxious to return to Albany, was advised by counsel that he might do so.

"No," said Oliver, the officer in charge of Gould. "You are in my custody."

"But," replied Gould, "you may go with me. I will still be in your custody."

That seemed to be satisfactory to the officer, and the two took a night train on the New York Central Railroad for Albany. On the way, Mr. Gould complained of illness, and his illness became more serious as the journey continued. When they arrived at Albany, Gould immediately sought his room and sent for a physician, Dr. Julian T. Williams, a former Assemblyman from Chautauqua County. Gould's condition remained such that on the night before he was to appear before Judge Barrett, Court Officer Oliver telegraphed to Judge Barrett that his charge was ill in bed, with physicians attending him, and that it was impossible to get him away. This was the first intimation Judge Barrett had that Gould was out of his jurisdiction. He expressed in indignant language his opinion of the situation, and adjourned the case until Saturday, April 10th.

April 10th came, but Jay Gould did not appear before Judge Barrett. Oliver was present, though, and made affidavit that he had accompanied Jay Gould to Albany, and, on arriving there, Mr. Gould had said that he was ill, and retired to his room. A physician was summoned, who reported that Mr. Gould could not return to New York, without grave risk to his health, in time for the hearing on April 10th; "but," the affidavit said, "Gould was able to attend sessions of the Legislature, and do business in his room with numerous men." When Oliver insisted (as the affidavit declared) that Mr. Gould should return with him to New York, Gould, on the advice of Hamilton Harris, his counsel, locked himself in his room and refused to hold any further communication with Oliver, and therefore the discomfited officer was compelled to return to New York and face Judge Barrett alone. The indignation of the Judge was great, and, ignoring the pleas of eminent counsel for Gould, he issued an order directing

Jay Gould and Hamilton Harris to appear before him on April 14th, to show cause why they should not be punished for their alleged misconduct.

On April 14th the proceedings before Judge Barrett were resumed. Jay Gould was not there, but he sent an affidavit denying Oliver's allegations, and insisting that he was too ill to leave Albany. He said he had kept Oliver out of his room because Oliver spent his time in the apartments of Senators William M. Tweed and Thomas J. Creamer, who were antagonistic to Erie interests, and to whom he believed Oliver reported what occurred in his (Gould's) room. Hamilton Harris made an affidavit which was satisfactory to Judge Barrett, but the Judge was not so considerate in Gould's case, and postponed action on his order until Saturday, April 18th.

In the meantime, a committee had been appointed by the Speaker of the Assembly to investigate the charges made by Assemblyman Glenn. The Committee held one session. Mr. Glenn gave his sworn testimony substantially as he had charged in the Assembly, and another witness corroborated him. Mark Lewis, a notorious lobbyist, and Assemblyman Frear, whom Glenn mentioned as one that had accepted a bribe, swore that Glenn's testimony was false. The committee reported that the charges were not sustained, and Mr. Glenn resigned his seat in the Assembly.

The action of the Senate on the Erie matter left the question in abeyance in the Legislature. Jay Gould, as will have been seen, remained in Albany. The bill as recommended in the minority report of the Senate Committee was introduced in the Senate. Before a vote upon it was reached the Vanderbilt opposition to it began to grow lukewarm, and finally disappeared entirely, much to the expressed indignation of many legislators. The bill having passed the Senate (Senator Mattoon being one of its supporters, he having had another sudden change of faith), when it came up for final action in the Assembly on April 29th the sentiment that had caused an almost unanimous rejection of it there only a month before had undergone such a radical change that it received the emphatic sanction of that body, and became a law. The acts of the Erie Directory were

legalized. The Erie War was, for a time, ended, and the Erie exiles returned to New York.

The sudden withdrawal of the Vanderbilt opposition to the Erie bill was a mystery to many. One reason, which found much credence, was said to be that Vanderbilt had suddenly discovered that he himself held several millions of the stock he was seeking to prevent being made a legal issue, and that if he succeeded in his fight he would be a loser to just that amount, so he withdrew his forces that he might protect himself. This reason for the withdrawal of the Vanderbilt opposition is believed to be the true one by many persons to this day, but the absurdity of it should be obvious. The fact is, negotiations for a settlement between Vanderbilt and, ostensibly, the Erie Railway Company, but in reality Daniel Drew, had been begun, with a good show of success, and the terms of the proposed settlement were so advantageous to the Vanderbilt party that they were content to let the Erie people secure the legislation they were seeking.

While Gould was at Albany engineering Erie's affairs there, Drew was making stealthy visits to New York and consulting with Vanderbilt. The result of these clandestine meetings he reported to Eldridge, and by the time matters were settled at Albany a plan of compromise with Vanderbilt had been outlined. Gould had his reasons for not wanting to compromise with Vanderbilt, and, of course, Fisk agreed with Gould; consequently it was attempted to be made without the knowledge of those two Directors, and a meeting was secretly arranged to be held at the residence of ex-Judge Pierrepont on an evening in the early part of June, 1868, no record being available now to fix it exactly. President Eldridge had made an appointment to meet Gould and Fisk at the Fifth Avenue Hotel, the very night that meeting of the Directors was to be held. The two men called at the hotel according to appointment, but Eldridge was not there. Then Gould suspected that rumors he had heard might have some foundation, and he and Fisk went to the Pierrepont residence. There they surprised the Erie Board and counsel in conference with Vanderbilt and his counsel, and after making, as they declared, vain protest against the transaction and

the mystery of it, they acquiesced in the settlement, although, according to the sworn testimony of Fisk, they protested to the last that it was illegal and would breed further trouble—which it most surely did.

On the 12th of June, 1868, on motion of Charles A. Rapello, of the Vanderbilt counsel, the various charges against the Erie party—all of which had been decided against them on appeal—were dismissed, and on July 2d the settlement with Vanderbilt was made final. By this settlement Vanderbilt was paid a subsidy of \$1,000,000 in cash and guaranteed Boston, Hartford and Erie bonds, and \$5,000,000 of the Erie shares he held were bought back from him at 70, the cash equivalent being \$3,500,000. Vanderbilt was also allowed to have two seats in the Erie Board, and Drew was to retire. Richard Schell and Frank Work were paid \$429,250 in cash, to recompense them for the losses they alleged they had sustained in speculating in Erie through Daniel Drew's manipulations against them. There had been nothing for a Receiver to receive, and as a balm for his not having had a chance at the Erie treasury, Peter B. Sweeny, who had been appointed to an impossible task, was paid \$150,000. These difficulties and scandals had primarily been inflicted on the Erie Railway Company by Daniel Drew in his individual capacity, working for his own interests, but their enormous cost was paid from Erie's beleaguered treasury. The cost in lawyers' fees to the Erie of this "War" also ran up into the hundreds of thousands, as may well be imagined from the calibre of counsel engaged in the Company's behalf—David Dudley Field, Thomas G. Shearman, Dudley Field, ex-Judge James K. Porter, Dorman B. Eaton, A. F. Smith, and a host of other legal lights. What the legislation this disgraceful "Erie War" made necessary cost the Company is known only to those now living who were in the secrets of that shady chapter in Erie history.

The last act in all the blustering, opera-bouffe incidents of the Erie litigation of 1868 occurred on June 30th of that year, when Judge Barnard, whose feelings had been so frequently lacerated by insinuations, if not positive charges, of counsel that he was by no means a party entirely disinterested in the

success of the anti-Erie litigants, fined Directors Diven, Lane, Eldridge, Davis, Thompson, and Skidmore \$10 each for technical contempt. The punishment to be inflicted on those larger defiers of the dignity of the court, Messrs. Drew, Gould, and Fisk, Judge Barnard took further time to consider. What penalty he decided upon was never known, for he never announced it, and with the confirmation, on the same day, by Judges Barnard and Cardozo, sitting with Judge Ingraham in General Term of the Supreme Court, of the action of Judge Barnard in the appointment of Charles A. Osgood as Receiver of the Erie Railway Company, the curtain fell on the costly and malodorous farce.

The documents of the Company bearing on this almost incredible chapter of Erie history tell the story in cold detail and sequence, but establish its facts by the incontrovertible seal of official authority.

#### GENERAL SUPERINTENDENT RIDDLE TO PRESIDENT ELDRIDGE.

OFFICE OF GENERAL SUPERINTENDENT,

NEW YORK, March 3, 1868.

*Hon. John S. Eldridge, President Erie Railway:*

SIR:—On the 3d of December I addressed a communication to the Vice-President recommending the purchase of 5,000 tons of steel rails, and at an interview with you, I expressed the opinion that 15,000 to 18,000 tons of rails would be required for the repairs of track during the year 1868. Since that opinion was given, we have passed through three months of unusually severe winter weather and moved more than an average winter tonnage, with the road bed frozen solid as a rock, the rails encased in snow and ice, so that it has been impossible to do much in the way of repairs; the iron rails have broken, laminated and worn out beyond all precedent, until there is scarce a mile of your road, except that laid with steel rails, between Jersey City and Salamanca or Buffalo, where it is safe to run a train at the ordinary passenger train speed, and many portions of the road can only be traversed safely by reducing the speed of all trains to twelve or fifteen miles per hour, solely on account of the worn out and rotten condition of the rails. Broken wheels, axles, engines, and trains run off the track have been of daily, almost hourly, occurrence for the last two months, caused mostly by defective rails. Fully one thousand broken rails were taken from the track in the month of January, while the number removed on account of laminations, crushing or wearing out was much greater. February will show a still worse record than January.

The failure of rails is confined to no particular make, although there is a difference, easily observed, between those made at Scranton and those re-rolled at Elmira. The former break readily into many pieces, and by so doing are pretty sure to throw a train from the track; a large number of these

rails have broken with less than six months' service, some with scarce one month's wear.

The Elmira re-rolled iron seldom breaks until very much worn, but it does not possess the hardness and durability found in the Scranton iron, when the latter has strength to resist breaking strains.

With the ten miles of track laid with the John Brown Bessemer steel, no fault need be found. But one rail has broken during the winter, and no lamination, and very little wear is perceptible. Twenty steel rails were laid in Jersey City yard last March; the iron rails adjoining, subject to the same wear, have been renewed four times since the steel was put down, and I have no doubt the steel rails will outlast three times as many more iron rails.

This winter's experience has satisfied me that the quality and weight of the iron rails in use cannot be depended upon to sustain the traffic of the Erie Railway. Forty-two ton locomotives, hauling trains of fifty and sixty loaded cars, and passenger engines weighing thirty-seven tons, running at a speed of thirty to forty miles per hour, literally crush and grind out the iron rails beneath them. Instances have been reported to me of rails removed from track too much worn for safety, where the first imperfection was visible the day before.

In view of this state of things what is the remedy? Manifestly the adoption of steel rails as far as practicable, and iron rails of superior quality and heavier section, to be followed by the gradual reduction of the weight of engines and cars, as new equipment becomes necessary. The tendency of late years has been to larger and more powerful locomotives, and heavier, stronger cars, and this has been carried to such an extent as to render them out of all proportion to the strength and durability of the track. Especially has this been the fact upon the Erie Railway.

The condition of the iron at the present date is such as to give me much anxiety and apprehension for the safety of trains. We cannot and do not attempt to make the schedule time with our trains; nearly all lose from two to five hours in passing over the road, and it has been only by the exercise of extreme caution we have been able thus far to escape serious accident.

A very large quantity of rails must be laid as soon as the weather will permit and they can be furnished.

In conclusion, I desire to modify my estimate of the quantity of rails required for the current year. After a careful observation of the whole road, assisted by information obtained from Division Superintendents and Track Master, I have come to the conclusion that twenty-five thousand tons of rails will be needed to keep up your track in 1868, and I would earnestly recommend that as large a proportion as possible shall be of steel.

Very respectfully, your obedient servant,

H. RIDDLE, *General Supt.*

OFFICE OF GENERAL SUPERINTENDENT,

NEW YORK, March 3, 1868.

*Hon. John S. Eldridge, President Erie Railway:*

SIR:—A careful review of the present condition of the Motive Power of the Erie Railway Company enables me to present the following statement for your consideration:

The company own 371 locomotives—of this number about thirty are condemned as entirely useless, and some forty more are of but little value, owing to their long service and general infirmity being considered unsafe to carry even moderate steam pressure, and sure to break down if run long distances. Two

hundred and twenty engines have performed over ten years' service, and 143 of that number over fifteen years' service. The master mechanics report 128 of these locomotives as requiring new boilers, and recommend the complete reconstruction of 107 of the number, whenever the boilers shall be renewed, or in other words, instead of giving the old engine a new boiler, it is deemed more to the interest of the company to construct a complete new engine, for the following reasons: Most of these engines are of the kind known as half crank engines, an expensive and troublesome class to keep in repair. The engines having been so long in service, no dependence can be placed upon the strength and durability of any of their parts—they are of a great variety of patterns, and make it necessary to keep a very large stock of materials on hand to provide against breakages, there being something over sixty different kinds of engines on the Erie road. It will be seen by the foregoing that the company have only 300 serviceable engines, considerably less than that of really efficient ones. From 15 to 25 per cent. are in shops undergoing repairs, ordinarily, at this season often a large proportion. Our mechanics estimate the life of an engine at fifteen years. Assuming that to be true, we should build twenty every year to keep our 300 good, to say nothing of the seventy now idle and worthless; but as we have added by purchase and construction only twelve new engines to our stock during the last two years, we are at the present moment some twenty-eight engines short of what we should have to make good the depreciation. In view, therefore, of the certain increase of the coal tonnage, and probable increase of both through and way traffic, I feel justified in saying that there should be fifty new locomotives added to the equipment of the road during the next twelve months. In the company's shops at Susquehanna and Dunkirk, if worked to their capacity, with slight increase of machinery, it is estimated thirty engines per annum can be built—at present we are working only force sufficient to build about one-third of that number. The engines built in the company's shops, in point of strength, durability, and perfection of workmanship far excel those procured from locomotive builders, and while their cost may fully equal, perhaps exceed, the price for which similar engines may be contracted for, I yet deem it good policy to fully employ our own facilities for the construction of engines.

To fill out the number I have ventured to suggest as needed, twenty will be required outside of the company's ability to construct. These I would contract for to be built after specifications and plans, to be furnished by the company's officers and under the inspection of a good mechanic to be selected and paid by the Railway Company. In this way I think we could obtain satisfactory machines.

I also deem it necessary to recommend an increase of freight and coal cars. Say 300 box freight cars and 100 coal cars in addition to those heretofore ordered.

The coal cars are sure to be needed, and the box freight cars, unless the freight traffic should fall off contrary to all expectations.

Respectfully, your obedient servant,

H. RIDDLE, *General Supt.*

P. S.—Since writing the foregoing report, I have learned from General Potter that he is desirous of establishing stock yards at Urbana and Cincinnati, on the line of the Atlantic and Great Western Railway, and taking stock for the New York market, that has hitherto gone via Pittsburgh, provided the Erie will furnish her full proportion of stock cars. This we

cannot do without adding, say, 200 stock cars to our present number, and to meet this and other demands, I would respectfully submit the following estimate for new cars:

300 box cars, at \$800.....	\$240,000
200 box cattle cars, at \$900.....	180,000
100 coal dumps, at \$625.....	62,500
	<hr/>
	\$482,500

#### THE WAIL OF DREW.

*(Report of the Executive Committee, made to the Board March 9, 1868.)*

The Executive Committee beg to submit to the Board of Directors a separate report of their doings under the powers conferred upon them by the Board, on the 19th day of February last, by the following:

It being necessary for the finishing, completing, and operating the road of the company, to borrow money—

*Resolved*, That under the provisions of the statute authorizing the loan of money for such purposes, the Executive Committee be authorized to borrow such sum as may be necessary, and to issue therefor such security as is provided for in such cases by the laws of this State, and that the President and Secretary be authorized, under the seal of the company, to execute all needful and proper agreements and undertakings for such purposes.

Early in the winter the President called the attention of the Committee to the condition of the road, and to the probable wants of the company during the coming summer. At several sessions of the Committee the subject was informally considered, and it was discussed, as well between the members of the Committee as with Mr. Riddle and the Vice-President, and it was substantially agreed to by all, that the best interest of the company called upon us, so far as we might be able to do so, to replace iron with steel rails whenever removals were made, and to double track the Delaware Division also with steel rails. It was also supposed that the new storehouses now being constructed for the Central and Hudson River Railroad, in St. John's Park, would give them such an advantage over us in the transportation from storehouses of heavy freight destined for competing points in the West, that we should be forced to construct equally good accommodations at Long Dock. Several private parties were in negotiation with us for the privilege of erecting such storehouses, as well as of erecting grain storehouses and elevators, but we thought it the best policy for the company to own the buildings if possible. The Superintendent had also informed us that the new equipment was needed for increasing business of the company, and we had informally determined that when these things should so take shape that we could make a definite report thereon to the Board, we would advise that the necessary capital be raised by the sale of the convertible bonds of the company, under the powers conferred upon the company by the General Railroad Law. Of the power to issue such bonds, and of the right to comply with the terms of such a contract by authorizing the conversion of such a bond into stock, we did not entertain a doubt. Our predecessors had claimed and exercised the right of increasing the capital stock of the company by conversion of bonds as early as 1863, and had reported the same to the Legislature, and had continued to exercise the right and to report their action to the Legislature without criticism. The New York Central Company

had exercised the same right also to the amount of over \$3,000,000, and had from time to time reported their doings to the Legislature without criticism, and the holders of the stock created by such conversions in each company had exercised their right of voting, as stockholders, without challenge. The same may be said of the Hudson River Railroad Company, and of most of the railroad companies in this State.

The construction of the law was universal in favor of the right to issue convertible bonds, and to convert those bonds into stock if called upon, even though the amount of capital stock should be increased thereby beyond the amount named in the charter, and it never entered into our heads to doubt a right so universally claimed and exercised.

While we were maturing these schemes for increasing the efficiency of your road and its equipment, we were also, under the authority conferred upon us by you, negotiating for the extension of its business connections, so as to reap the full advantage of the new capital to put in the property. We contracted with the Michigan Southern and Northern Indiana Railroad Company to have them put a third rail on their road so soon as other parties should take the broad gauge to Toledo. It is needless for us to point out to you the immense value of this connection to the Erie Railway Company. We also consented to the deposit of the bonds of the Boston, Hartford, and Erie Railroad Company, issued under the agreement between that company and this company, as collateral with several parties who loaned their property to aid in the construction of that valuable connection. And just as we had so far completed these several important matters as to be ready to report them to you, we received reliable information that an attack in the courts was immediately to be made upon the Erie Railway Company, in the interests of the New York Central Railroad Company, to restrain us from extending our connections and to localize our road—in fact, to destroy its value as a competitor with that powerful company. The first blow struck was a suit discrediting this company, by charging a former board as having been in collusion with Mr. Drew in certain alleged frauds in his contracts with the company, and the present board as guilty in permitting the conversion of the stock of the Buffalo, Bradford and Pittsburgh Railroad Company. The second blow followed soon after in the summary removal of Mr. Drew from his office as Director, and a prayer for his removal from his office as Treasurer. One of these suits was in the name of Mr. Frank Work, then a Director in this Board, and the other was instigated by him, notwithstanding the fact that he voted to make Mr. Drew a Director and the Treasurer of this company, with a full knowledge of all the facts which he charges to be fraudulent and the further fact that he voted for the conversion of all the leases of the company, including the Buffalo, Bradford and Pittsburgh Road. The motive for this otherwise unaccountable change of front on Mr. Work's part is to be found in the well-known fact that he was put into this Board in the interest of the Hudson River and Central Railroad, and that when he refused to become a party to the schemes of Mr. Vanderbilt and his friends to create a gigantic monopoly for the benefit of the Central line, Mr. Work's interest was exposed.

It was under these circumstances that you gave us authority to issue and sell convertible bonds for the purpose of completing, finishing, and operating our road; and although, owing to the hostile presence of Mr. Work, we could not discuss this matter as freely as we could have wished, yet you reposed a generous confidence in us, and, we believe, anticipated in advance what our course would be.

There was but one course open to us as prudent men, charged with the protection of the interests of the Erie Railway Company, as distinguished from those of rival lines, namely, to secure, before it was too late, the means to meet the necessary expenditures we have alluded to, and, after full discussion of the matter, we authorized the creation, issue, and sale of ten millions of dollars of convertible bonds, the entire proceeds of which would not be more than enough for the contemplated improvements.

Notwithstanding the unwarrantable attacks upon us, we took no steps to defend ourselves. We continued our negotiations with the New York Central, Hudson River and Harlem Companies for the consolidation of rates. Some of us were slow to believe that they could be implicated in such proceedings, and all of us thought that we ought to continue to maintain amicable relations with them so long as we could do so without a sacrifice of our self-respect. The next of these suits, however, made it our imperative duty to take steps to protect the Erie Railway Company, for we were enjoined—and still at the suit of Mr. Work—from carrying out our agreement to convert our convertible bonds into stock. When you remember that independently of the ten millions of bonds which we authorized as above to be issued and sold, there are, notwithstanding, some nine millions more of bonds which are convertible into the common stock of the company, you will see how disastrous it may be to our credit to have a court assume to compel us repudiate our contracts. We were further enjoined from making certain transfers of stock, from carrying out our contracts with the Michigan Southern Company, and with the Boston, Hartford and Erie Company, and the injunction further contained the usual shots against Mr. Drew. There was no mistaking the purpose of this suit. It meant destruction to the credit of the Erie Railway Company, the localization of its traffic, the severance of its terminal connections, denial of the means necessary to give it a proper, suitable, or safe equipment, its prostration to the interests of the New York Central Railroad Company and its final administration in their interest, and all this was done at the instigation of one of our own Directors. We accepted the issue and authorized the commencement of a suit, in which Mr. Work is enjoined as serving as a Director in this Board, and from proceeding with his suits. Copies of these proceedings will be furnished to each Director, and we hope you will carefully read them.

The Senate has taken this matter up, and a committee has been appointed to examine into the condition of the company, and into the charges made against it in the newspapers and in the Supreme Court, and the hearing is to commence on the roth inst. To this tribunal we confidently appeal. If it be true that in converting three millions of dollars of bonded debt, and in contracting to convert nine millions more (irrespective of our late proceedings), the Erie Railway Company has exceeded its corporate powers, it is equally true that the New York Central Railroad Company has exceeded its powers in converting \$3,200,000 of its bonded debt. And it is in the power of the Legislature to afford both companies, by ratifying acts, the fullest protection. And, on the other hand, if it be true, as we believe it to be, that the Legislature intended to confer upon railroad companies the wise, just, and most reasonable power of shifting its debt into capital stock when it can be done, and if, in consequence of the exercise of that power, in good faith and the best interests of this company, speculators and rival lines have assailed us and cast a cloud upon our issues of stock, we feel ourselves equally justified in

asking the Legislature to remove that cloud, and the summons to go to Albany has only anticipated by a few days our request for a hearing and for a remedy to allay the doubts and disquietudes of those who hold the stock of this company.

It only remains to state the wants of the company, to meet which the late issue of bonds was made. More detailed statements thereof are to be found in the report of the General Superintendent herewith submitted:

## STATEMENT.

17,000 tons of new iron, at \$75.....	\$1,275,000
8,000 tons of steel rails, at \$145.....	1,160,000
50 locomotives, at \$15,000.....	750,000
300 box cars, at \$800.....	240,000
200 box cattle cars, at \$900.....	180,000
100 coal dumps, at \$625.....	62,500
200 coal dumps for bituminous coal.....	125,000
Double track on Delaware Division.....	2,790,000
Passenger stations at Long Dock, Buffalo, and Rochester.....	400,000
Storehouses for teas, sugar, grain, cotton, etc., at Long Dock.....	1,000,000
Elevator at Long Dock.....	300,000
Elevator at Buffalo.....	150,000
New depot lands and river front at New- burgh.....	225,000
Ferry slips at 23d Street.....	25,000
New ferryboat for 23d Street service.....	75,000
	<hr/>
	\$8,757,500

All of which is respectfully submitted,

JOHN S. ELDRIDGE, *President*.

New York, March 9, 1868.

## OPENING THE WAY FOR DREW.

(*Resolutions of the Board at the Meeting above held.*)

*Resolved*, That the Report of the Executive Committee just read be approved, and their acts therein set forth be confirmed, so far as they need confirmation, and so far as this Board may legally and lawfully confirm them.

*Resolved*, That the President be instructed to carry out on behalf of this Board the policy which the Executive Committee have inaugurated, to wit: that he be directed to purchase 17,000 tons of iron rails (or contract for re-rolling a part of the same), and 8,000 tons of steel rails; that he be directed to cause to be constructed for the road the number of locomotives and cars recommended by the General Superintendent and the Committee; that he be directed to proceed at once with the double tracking of the Delaware Division; that he cause plans to be made and submitted to this Board for a new passenger station and for storehouses and elevators at Jersey City; also plans for new depots at Buffalo and Rochester; that he take steps for the construction of a new ferryboat and for slips at the foot of 23d Street, and for the opening of the 23d Street ferry as soon as the river is free from ice, and that he report to this Board the cost of the proposed new accommodations at Newburgh, with a plan of the same.

*Resolved*, That it is and always has been, and as long as the present administration remains in power it will continue to be, the policy of the Erie Railway Company to afford to the public on the line of our road and at its termini, ample accommo-

dations for the transportation of passengers and freight, at the lowest rates that are consistent with the return of a proper remuneration upon the capital invested in the Erie Railway, its branches and ferries, and that we are opposed to any monopoly; that it is the true interest of the sterling bondholders, of the preferred stockholders and of the common stockholders, to join in resisting the suits referred to in the report of the Executive Committee.

*Resolved*, That the President be fully authorized to carry out the views of the Board, as expressed in these resolutions.

## THE APPEASING OF VANDERBILT.

(*Abstract from the Minutes of the Board of Directors, July 10, 1868.*)

John S. Eldridge, President, submitted the following report:

*To the Board of Directors of the Erie Railway Company:*

On the thirteenth day of June last, the Executive Committee passed the following resolution:

"Whereas, there are now pending legal proceedings and suits against the Erie Railway Company and various of its officers, in which orders have been made restraining the actions of such officers and company, by means of which said company has suffered great loss and injury, and which suits and proceedings, and the questions therein involved, now threaten, if not compromised and discontinued, to be the cause of yet greater loss and injury to said company and its shareholders; and this company seeing no means of securing the necessary exercise of its authority and franchise, and of preventing protracted and ruinous litigation, but through some arrangements to be promptly made by which all said suits and proceedings may be discontinued, and the subjects of controversy therein may be adjusted and settled; therefore,

*Resolved*, That the President of the company is hereby authorized to negotiate, conclude, and execute all such arrangements, contracts, and compromises, and such acts in the name and behalf of the Erie Railway Company, as in his opinion may be necessary and proper, to secure the discontinuance of all said suits and proceedings, to compromise and adjust all matters therein involved, or referred to, including all matters and questions between said company and Daniel Drew, and to fully protect this company from further litigation and embarrassment in connection with any of the bodies, persons, or matters in said suits or proceedings named or referred to, and that the Secretary, by the use of the seal of the company and otherwise, as made needful by the acts of the President, under the general power, join in the execution of any contract and arrangement that may be made by the President in the name or behalf of the Erie Railway Company."

I have now to report to the Board, that under the authority conferred upon me, by said resolution, I have done as follows:

1st. I have secured a settlement and withdrawal of all suits, and all the interlocutory orders therein, including the decree for the Receiver of the special fund by the payment, under order of court, of one hundred and fifty thousand dollars to the Receiver, and four hundred and eighty-four thousand two hundred and fifty dollars to sundry other parties, the vouchers for which are on file in the Treasurer's office.

2d. That as part of the settlement, it has been arranged to relieve Cornelius Vanderbilt and other parties of five millions of their stock, and to give them two seats in the Board; also, that the Erie Company shall purchase of the Boston, Hartford and Erie Company five millions of dollars of their bonds, the

interest of which is to be protected by the Erie Railway Company under the contract, and that the contesting parties are to take of the Erie Company, in the settlement, twelve hundred and fifty thousand dollars of such bonds, at the price paid for them.

3d. That as part of the settlement, it was further arranged that Mr. Drew should retire from the Board and the Treasurership, and should pay the company for a discharge and release under his contract, the sum of five hundred and fifty thousand dollars, with interest adjusted to date of settlement.

4th. That in order to raise means to take stock from Mr. Vanderbilt and other parties, arrangements have been made for temporary loans on the stock, with the usual margin of ten per cent.

5th. I also report a form of contract agreed upon with the Vice-President of the Boston, Hartford and Erie Company, to carry out the above arrangement, which I ask authority to have executed and delivered as follows:

*Memorandum of an agreement, made the ninth day of July, A.D., 1868, by and between the Erie Railway Company, party of the first part, and the Boston, Hartford & Erie Railroad, party of the second part.*

*Whereas*, in and by an agreement between the parties hereto, and Dudley S. Gregory and J. C. Bancroft Davis, Trustees, dated October 8, 1867, it was agreed, among other things, by the party of the first part hereto, that the interest upon said bonds should be paid, as will more particularly appear by reference to said last named agreement. And, *whereas*, afterward a certain other agreement supplementary thereto was entered into between the parties hereto, dated the 18th day of December last, whereby, among other things, it was agreed that certain of the said mortgage bonds should be deposited with certain parties loaning their property to John S. Eldridge, to aid in the construction of the road of the party of the second part, as collateral security for the repayment of the said loans, and such bonds have been deposited as collateral to the amount of five hundred and thirty-seven bonds, each for the amount of one thousand dollars, as will more fully appear by reference to the said supplemental agreement, and the several agreements with the parties so loaning their property. And, *whereas*, the said several agreements having been made the subject of litigation, the writs concerning the same have been settled and adjusted upon terms, part of which are hereinafter expressed.

Now, therefore, it is agreed between the parties as follows:

1st. That the ninth clause of the said agreement, dated October 8, 1867, is to be, and hereby is, so modified and changed, that the party of the first part hereto shall agree in manner and form as therein provided, with the several holders of such bonds, to the amount of five millions of dollars, in lieu of four millions, as therein stated, that the interest on their respective bonds shall be paid according to the terms of the coupons thereon.

2d. That the party of the first part shall, and hereby doth, purchase of the party of the second part, who doth sell the same to the party of the first part, the entire issue of the said five thousand bonds, for one thousand dollars each, upon which the said agreement with the holders thereof is indorsed, including the bonds so deposited as collateral, and doth agree to pay for the same at the rate of eight hundred dollars for each bond of one thousand dollars, payable one million of dollars on demand, and the balance in sums of one hundred and fifty thousand dollars cash each month, commencing on the first day of January next, and continuing until the full

sum of five millions of dollars is paid. Coupons maturing after the time of each payment, belong to the party of the first part.

3d. Except as herein modified, said original agreements, and said agreements supplementary thereto, shall stand in full force.

#### SADDLING THE B., H. & E. BONDS ON ERIE.

*(From General Diven's Testimony before the Hepburn Investigating Committee, 1879.)*

During Mr. Berdell's administration, the Erie was always embarrassed in its New England trade for want of communication. They had only a water communication, while the New York Central had a railroad communication. The Boston, Hartford and Erie Railroad Company contemplated a connection of this road with the Erie at Newburgh—with the Newburgh Branch. A good deal of their railroad had been constructed by different companies. These companies had been consolidated, and they had a completed road to Williamant, but lacked a link from there to Danbury, upon which a good deal of work was done, and they wanted to finish it from Danbury to Newburgh. They presented the condition of their road to the Erie Directors, and asked us to aid them to complete that road. Myself and Mr. Gregory were appointed a committee to go to Boston and examine the line of road and ascertain by estimates the probable cost of completing it to Newburgh. We satisfied ourselves of the value of the line. They had a great deal of excellent work—an excellent road, and some of it in operation. Our estimate of the amount necessary to complete it was \$4,000,000 of the bonds of the Boston, Hartford and Erie Company, conditioned that the company would give the Erie Railway Company the right to fix the rates upon freight going from the Erie to their road, which should be a fund going into the hands of the Trustees to meet the interest upon those bonds. It was only the interest on the bonds that was to be guaranteed. The report further recommended that these bonds should remain in the hands of the Trustees, Mr. Bancroft Davis and Mr. Gregory, to be sold by them not below par, the proceeds to be kept by them and annually paid out upon vouchers for work done. That was the character of the report made, and a vote of the Berdell board was passed approving of it, and directing a contract to be drawn in accordance with that report. This was near the close of Mr. Berdell's administration. Soon after the close of that administration and the inauguration of the Eldridge administration, I was told by Mr. Fisk to look out. Some difficulty had arisen between Fisk and Gould and Eldridge. I was told by Fisk to look out for Eldridge; that he was going to get all of those bonds. I told Fisk that he could not; that the Trustees would not let him have them; that they could not let him have them. He said I was mistaken. What he said to me led me to examine the contract, which I found to be a contract for the guarantee of five millions instead of four millions, and for the delivery to the Boston, Hartford and Erie of the whole of the bonds when a contract should be made for the construction of the road that was satisfactory to the Trustees—different entirely from the original agreement. I made some fuss about it, but I was assured that the bonds were all there and would not be delivered except for work. The next I knew about them was that they had all been bought by the Erie Railway Company from the Boston, Hartford and Erie Railroad Company, and cash paid for them. That is the way the Erie came to have those bonds as their own property.





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## CHAPTER XVI.

### ADMINISTRATION OF JAY GOULD—1868 TO 1872.

**I. A BATTLE OF GIANTS:** Eldridge Satisfied, Retires—Jay Gould Becomes President of Erie—Frankly Declaring His Policy—Daniel Drew Consents to a Combination with the New Erie Managers and Deserts Them—A Wild Wall Street Time, and Drew Gets on His Knees to Gould and Fisk—They Spurn Him—The Story of Two Erie Receivers. **II. GOULD SUPREME:** His Great Plans for Erie—They Amaze the Managers of Rival Railroads, and Force Them to Action—The Story of the Famous Classification Act—A Rosy Report and a Rising Cloud. **III. BREAKERS AHEAD:** An Inquiry for Dividends—The Experience of Foreign Stockholders with Gould Methods—Gould's Plan to Reform Erie, and Why it Failed—The Shadow of the Fisk Tragedy. **IV. THE SHIP ON THE ROCKS:** The Influence of McHenry—He Yearns for Gould's Downfall, and Employs Gen. Daniel E. Sickles to Bring it About—The Incident of Lord Gordon Gordon—Betrayed by His Friends, Jay Gould is Overthrown. **V. THE DOCUMENTS IN THE CASE:** Statement of Frederick A. Lane—O'Doherty's Cablegrams—Crouch's Letters—The Stories of Barlow, Gould, and the Rest.

#### I. A BATTLE OF GIANTS.

It was plain, even to those uninitiated in the manners and methods of Wall Street, that the withdrawal of the Vanderbilt opposition to the legislation sought by the Erie management, and the passage of the bill legalizing conditionally the over-issue of the stock of that Company, indicated that a settlement or compromise of some kind between the warring factions was in progress of negotiation, if its details had not already been agreed upon. The subsequent proceedings in the courts were so palpably a mere matter of cold formality, enlivened although they were by startling verbal encounters between counsel, who gave them a showing of sincerity by elaborate arguments on the legal and moral aspects of acts that had for weeks (as the public innocently believed) aroused the indignation of the bar and outraged the dignity of the bench, that the press gave only dry reports of them, which the public read with but passing interest. It was known early in July, 1868, that the settlement between Drew and Vanderbilt had been made, but beyond the fact that Drew had retired from the Erie management, and that John S. Eldridge had resigned as President and returned to Boston, his place being filled by the appointment of Jay Gould as President *pro tem.*, which incidents were followed by various rumors as to the terms upon which they had been brought about, nothing was known to those outside the circles immediately in-

involved, and it is doubtful if the public would ever have been put into full knowledge of the extent of the outrage that prostrate Erie was forced to submit to in the squaring of the personal differences of conscienceless speculators, if one of them had not, in his retirement, conspired with later custodians of the Erie treasury to once more manipulate the Company's stock in such a way that he and they might fatten on it to its further demoralization and the possible ruin of the many investors ignorant of the trap thus being spread for them. It was not the conspiracy, either, that brought about the exposure. It was the treachery of Daniel Drew to his co-conspirators, by which he sought to gain still greater profit for himself at their great loss (as he believed), that bared to the public the transaction by which the Erie treasury had been looted to purchase his immunity from the vengeance of Cornelius Vanderbilt. But in this new operation in Erie he had reckoned without his host. Pitted against him now were men schooled in his own methods. They were resourceful, merciless, and bold to a degree. The wily old speculator had overreached himself at last.

Soon after Drew had retired from the Erie management, he remarked, in his quaint way, to Commodore Vanderbilt one day:

"There ain't nothin' in Ary no more, C'neel."

"Don't you believe it!" replied the long-headed New York Central magnate.

But Daniel Drew was correct—in one respect. There was nothing more in Erie for him. Nothing but personal humiliation, broken prestige, financial disaster.

All through the summer of 1868 the feeling in financial circles in regard to Erie was ominous. Disquieting rumors were constantly afloat. The Street seemed flooded with Erie stock, and it was declared that the new management had no need for it, as they already held more than three-quarters of the entire capital, thus insuring their control of the Company at the annual October election. The closing of the transfer books of the Company on August 19th, sixty days before the election, instead of on September 19th, thirty days before, as the by-laws of the Company had always prescribed, and the continual influx of Erie stock on the market, carried much alarm to financial circles, and Wall Street was in a continuous fever of excitement. The election was held October 13, 1868, and the following Board of Directors was chosen: Jay Gould, Alexander S. Diven, James Fisk, Jr., Frederick A. Lane, J. C. Bancroft Davis, William M. Tweed, Peter B. Sweeny, Daniel S. Miller, Jr., Homer Ramsdell, John Hilton, George M. Graves, John Ganson, Charles G. Sisson, O. W. Chapman, Henry Thompson, William B. Skidmore, George M. Diven. This Board at once elected Jay Gould President.

Looking at events of a generation ago, as they stand revealed in the light of the present day, many may wonder at the temerity of any influence that could call into the Board of Directors of a great railroad company William M. Tweed and Peter B. Sweeny, now remembered only as the head and front of the notorious Tammany Ring. But in 1868 William M. Tweed was a man of superior consequence. He and his *confrères* not only held absolute power over the political destinies of New York City and New York State, but their influence was potent in national affairs. To them the highest and best in the land paid homage. Judges were made at their beck, and Governors came at their nod. At a word from William M. Tweed the National Convention of a great political party had, in July, 1868, been held in Tammany Hall, and its proceedings

were dictated by him and his associates in the leadership of that Society. When Tweed and Sweeny were elected Directors of the Erie Railway Company they were as uncrowned kings. That it was in the power of any human being to topple them from their high estate and reveal to the world the almost incredible corruption of the Ring they had ruled, no one could have then for a moment even dreamed. The day came for all that, though, in good time; but when Tweed and Sweeny were called to the Erie Board their outward fame was good, and great weight went with their names. There were some, affecting wisdom, who, when they read the names of Tweed and Sweeny among those who were to manage Erie's affairs the coming year, were moved to say:

"Ah! it would seem that there is to be somewhat of politics, and perhaps of legislation, in the plans of the new management of Erie!"

Of the truth or falsity of which, time was to be the witness.

Less than a week after the Erie election, on October 21st, the first disturbing rumor of a lock-up of money by the banks, in the interest of a speculative clique—of which the Erie managers and Daniel Drew were the moving spirits, formed for a bear movement in stocks, and especially in Erie—was afloat in the Street. This rumor would not down, and it was declared that \$10,000,000 had already been taken out of the Street and held from circulation by the banks in the interests of this clique. Erie stock continued to pour upon the market, and rumors of another large over-issue of that stock were so strong that they were accepted as facts. The excitement on the Exchange became so intense day by day that on October 26th a committee from the New York Stock Exchange, consisting of Christian A. Sloan, Augustus C. Brown, and J. M. Hartshorne, was appointed and instructed to wait upon Jay Gould and demand that he should officially deny or admit the over-issue, and give other information concerning the condition of the Erie Railway Company, doubt upon which was working such disturbance and threatening such disaster in financial circles. The President of Erie's reply to the committee was frank, but by no means assuring.

"Gentlemen," said he, with the greatest calmness, "since the settlement of the Vanderbilt litigation in July last, we have issued \$10,000,000 in Erie convertible bonds. Of these, \$5,000,000 have been recently converted into common stock, and the remainder is likely to be converted at any time. The amount of common stock of this Company now outstanding is \$39,500,000. We are thinking of laying a third rail. If we resolve to proceed with the work we shall be obliged to raise \$3,000,000 more by the conversion of more bonds into stock."

The committee made its report, which was followed by the wildest excitement on the Exchange. So much real alarm had seldom been witnessed in that great financial centre. Stocks were tumbling, in spite of the most desperate efforts of the bull side of the market, and Erie was leading the downfall.

That last week of October, 1868, was the most critical time in Wall Street then on record. The chief cause was the great decline in Erie, by which scores of people who had carried the stock from the time it was 70 were ruined. The knowledge that there were \$40,000,000 of the common stock outstanding caused banks and money lenders to reject it as collateral. The reported financial condition of the Company was so bad that its acceptances of \$2,000,000, due January 1, 1869, could not find a market in the Street, the apprehension being that they would come to default. Operators clamored for an order from the Exchange prohibiting the delivery of Erie stock, and to remove it from the list. The President of the Exchange was inclined to do this, but the Erie holding was so widespread that he dared not assume the responsibility. In July Erie had stood strong at 70, in spite of all that had conspired to discredit it. October 26th it was down to  $38\frac{1}{4}$ , the lowest point it had been quoted at for years. By October 30th it had been forced down to 35. The bear clique seemed to have Erie at their mercy. But the stock did not go any lower. On the contrary, it stood firm, and presently began to advance. It went up steadily, until, on November 14th, it sold at  $52\frac{1}{2}$ , and speculators were crazed. There were evidently master hands sustaining the bull movement.

But even the upward tendency of Erie did not re-

store confidence. Some mysterious motive, it was felt, was prompting the movements of the bull leaders. On Monday, November 16th, Erie opened at 53, and amid one of the wildest scenes ever witnessed on the Stock Exchange, was run up to 61 in half an hour. After an all day's struggle, the bear side of the market was forced to succumb, and Erie closed at 61.

That important events were bound to follow from this desperate battle seemed inevitable. They began on Tuesday, November 17th, when the courts were appealed to on behalf of the interests (at least ostensibly) of the Erie stockholders. The standing of the parties who thus began a new Erie War lent no little strength to the belief that the action was what it professed to be. Suit was brought on that day before Judge Josiah S. Sutherland, of the New York Supreme Court, by August Belmont and Erastus B. Lucke, as bona fide holders of Erie stock, through Rapallo & Spencer, their attorneys, against the Erie Railway Company, Jay Gould, James Fisk, Jr., and the entire Board of Directors, recounting all the charges that had been brought against Daniel Drew and his associates in the Vanderbilt litigation, and making the new charge that the defendants had made a further illegal issue of stock to the amount of many millions of dollars, and that they had appropriated without legal right \$7,000,000 belonging to the Erie Railway Company in settling the Vanderbilt-Drew litigation. The petitioners asked for an injunction restraining the defendants from performing any further acts in their capacity as Directors of the Erie Railway Company, and for the appointment of a Receiver for the Company.

The Belmont petition was accompanied by an affidavit made by Daniel Drew, in which he swore that he was guilty of the acts which had been charged against him in the Vanderbilt suits, and which he had then either denied or claimed had been performed under authority of law. He admitted the taking of 28,000 shares of stock in May, 1866, the issuing of \$5,000,000 convertible bonds on February 19, 1868, and an equal amount on March 3d following, in which he affirmed he was aided and abetted by Jay Gould and James Fisk, Jr., with whom he had signed an agreement to pay to them

one-half of the profits that might result from any excess over 72 cents on the dollar for which the bonds were sold. The bonds were disposed of through the houses of Fisk & Belden, and Smith, Gould, Martin & Co., at 79 and 80. Drew swore further in his affidavit that the defendants, Gould, Fisk, and Lane, had compromised the claim the Erie Railway Company had against him for the 28,000 shares of stock by the payment by him of \$1,000,000 and the further consideration of his resigning from the management. He charged them with having bought the resignation of President Eldridge in favor of Gould by taking from him \$5,000,000 of Boston, Hartford and Erie bonds at 80; that Gould was Treasurer as well as President of the Company; that they had abolished the Board of Audit and placed Fisk in entire charge of that Department as Controller of Accounts; that they had received \$40,000,000 by over-issue of stock; that they had paid \$850,000 for the Grand Opera House; \$1,500,000 for nine houses adjoining it in Twenty-third Street; \$300,000 for Lake Erie steamboats; \$300,000 for Buffalo real estate, which was mostly in the names of Directors; and that Gould, Fisk, and Lane had received bonuses on these purchases amounting to \$1,500,000. Drew also affirmed that he had conspired with Gould, Fisk, Lane, and others of the Erie Board to lock up money to make it scarce on the Street, so that they might reap a great profit from speculation in Erie, and that he had put \$1,000,000 in the pool, which he subsequently drew out, and then severed his connection with the clique.

These developments intensified the panicky condition of Wall Street. The lock-up of money had been the one great disturbing and threatening element since the unsettled state of affairs began months before. With an easy money market the dangers of the formidable onslaught on values and contracts could have been guarded against to a great extent, and operators would not have stood for months as if in momentary expectation of a financial earthquake; so, for Daniel Drew to deliberately and shamefully declare, under oath, that he had been a willing party to a conspiracy which had for its ends the damming of the natural monetary current of Wall Street—a

proceeding which, if carried to its projected length, would have scattered widespread ruin and disaster among hundreds—was sufficient to bring down upon his head an avalanche of indignation which would have driven a more sensitive man into hiding. His confession of past misdeeds that he might drag his former Erie co-workers into the mire also reacted against him, although he had told nothing which common rumor had not long before settled upon as the probable truth of the Vanderbilt-Drew contest and its settlement. Every one knew that these things had not thus been put in the form of sworn testimony by Drew for the purpose of relieving his conscience or to disinterestedly aid the ends of justice. This tardy coming forward to lend a helping hand to the end that suffering Erie might be rescued from her alleged despoilers, now that he was no longer one of them, was proof positive that something had gone wrong in Daniel Drew's speculative calculations, and that he was playing a bold and desperate game to extricate himself from a precarious situation. There were rumors a-many as to what his situation was, and when the facts came out later, the rumors were found to have been not far from the truth.

Judge Sutherland, on the strength of the strong petition of Belmont and Lucke, and the affidavit of Daniel Drew, issued an injunction against Jay Gould as President, and all of his associates in the Erie management, restraining them from exercising any authority in the management of the Erie Railway Company until further order of the court, and directed them to appear before him on November 20th, to show cause why a Receiver should not be appointed to take charge of the Erie Railway Company.

Now it was that not only Wall Street but the world at large began to recognize the amazing genius of Jay Gould. He had embarked in an undertaking of the greatest magnitude. At the start he had adopted heroic measures. He had at one stroke added millions to the capital stock of the Erie Railway Company beyond the amount fixed by law. He had converted bonds into stock through the firm of brokers of which he was the head, and as President and Treasurer of the Company, and Chairman of its

Executive Committee, held the proceeds of these bonds at his own pleasure. He had started out to do certain things with the Erie Railway, and he was not to be balked by such a simple thing as an order of court: In fact, he had anticipated such an order and had provided against it.

On Sunday, November 15, 1868, Daniel Drew called on James Fisk, Jr., at his office in the Grand Opera House. "He said," so Fisk's statement went, "that he had come to make a clean breast of it, and to throw himself upon our mercy. He was short of Erie stock 30,000 shares, he said. I told him I knew that, and that that was not half of it, for he was short in addition 40,000 calls. He complained bitterly of his position. He then entered into an explanation as to certain proceedings that he said were being got up by parties who were to attack us in the courts. He said he had been in the enemy's camp, and that all he cared about was to look out for number one. If we were willing to help him he said he would make a clean breast of it. I told him that his disposition and his nature were so vacillating that I should not trust him unless he made a clean breast to begin with. He finally, after much hesitation, said he would tell me. He said that Work, Schell, Lane, and Thompson were embarked in a scheme with him. He refused to tell me in whose name the proceedings were to be instituted. Upon inquiring closely of him whether the case was taken up on its merits or as a mere stock operation, he admitted to me that it was to relieve those who were short of this stock. I presented the idea to him as to what the others would do, and he said he could take the ringleaders with him if they were also provided for, and he would break up the whole scheme.

"He begged and entreated that I should go and bring Mr. Gould; saying that he knew if he could see Mr. Gould he could benefit his position, and would tell us who were to be the plaintiffs in the suit. I tried to convince him that it was one of his old tricks, and that he was the last man who should whine at any position he had put himself in with regard to Erie. Finally I consented to go and get Mr. Gould, and did so. I was not present at the entire interview between Mr. Gould and Mr. Drew, but portions

of the conversation that I heard were of the same nature as the one that Mr. Drew had held with me. He also urged many arguments upon Mr. Gould and myself to induce us to help him with regard to the stock. He stated to us that it was within our power to protect ourselves, but urged us to issue more convertible bonds, saying no one would know anything about it.

"At this time he told us that a suit was to be brought in the name of August Belmont; that he was present at a meeting they had held the night previous, and heard the paper read. We told him over and over again that we could not help him. He would not leave us, but insisted on remaining. Mr. Gould and myself, unable to get rid of him in any other way, told him that we would meet him again at 10 o'clock that evening. We then parted.

"Consequently, about 11 o'clock, I found Mr. Drew waiting for us. At that time Mr. Gould was not present. I again told Mr. Drew that nothing could be done for him. He said:

"Then, if you put up this stock, I am a ruined man!"

"He harped upon the fact that he was willing to pay a large amount of money for the use of 30,000 or 40,000 shares of stock for fifteen days, and offered me as high as 3 per cent., which would amount to nearly \$100,000, for the use of it for fifteen days. Finding he could not induce us to accede to his wishes, he tried another tack, saying there was a conspiracy against us; that they would ruin us if they could; that they would put the stock down at all hazards, and that if I would not agree to anything with him he would give his affidavit to the other side, having before this said he would not give his affidavit if I came to his rescue. He said:

"You know during the whole of our fight I objected to ever giving my affidavit, but I swear I will do you all the harm I can do if you do not help me in this time of my great need!"

"He also said:

"You can loan me the stock. I will give you 3 per cent. for it. You have the power to issue more convertible bonds. I will buy the bonds from you if you are caught, or I will buy the bonds of

you with the understanding that I shall not pay for them unless you are caught.'

"I positively and unequivocally declined his proposition, as I had on each occasion. After talking in this strain for more than an hour, I adhering to my decision that nothing could be done, he, at about 1 o'clock Monday morning, said:

" 'I will bid you good-night!'

"Then he went away."

Whether or not it was through this pitiful self-humiliation of Daniel Drew that Jay Gould obtained the information about the coming Belmont suit, he certainly was forewarned of it, for when the order of Judge Sutherland to show cause why a Receiver should not be appointed for the Erie Railway Company was issued, Tuesday, November 17, 1868, a Receiver had already been appointed! Monday, November 16th, hours before the Belmont proceedings had come up before Judge Sutherland, Charles McIntosh (who was Superintendent of the Erie Ferry between New York and Jersey City) brought suit through Brown, Hall & Vanderpoel, his attorneys, against the Erie Railway Company, Jay Gould, and all his associates in the Erie Directory, and against August Belmont, Richard Schell, and others, "to have the law defined in reference to the legal powers of the Erie Railway Company in reference to the issuing of stock; to restrain the commencement of actions against the Company founded upon the issuing of stock; and for the appointment of a Receiver of the Company's property," the plaintiff having been informed, so his complaint averred, that various persons had threatened to commence suits against the Company, under color of calling in question the right or power of the Erie Railway Company to create and issue the stock as had been done, but in reality to destroy the value of Erie securities for stock-jobbing purposes. The plaintiff declared that he brought the action on behalf of himself and all other stockholders of the Erie Railway Company who might join in the action. The allegations of McIntosh were supported by an affidavit of James Fisk, Jr., who swore that he was conversant with the business and affairs of the Erie Railway Company, and had no doubt of the legal authority of the

Company to issue all the shares of capital stock now outstanding. He charged that speculators in Wall Street had been for days active in efforts to depress the stock of the Erie Railway Company, and as a means to aid them had threatened to institute legal proceedings calling in question the acts of the officers of the Company in issuing shares of stock, which suits would greatly hinder the officers in the due and proper discharge of their duties.

These proceedings were brought before Judge George G. Barnard—the same Judge Barnard who had indignantly fixed Jay Gould's bail at \$500,000 in the Erie War of then recent date, and who had declared that if Gould were brought before him he would not only impose condign punishment upon him, but would compel him to refund the entire \$10,000,000 alleged over-issue of stock, so horrified was he at the enormity of that offence! And Judge Barnard, the affidavits of Charles McIntosh and James Fisk, Jr., appearing satisfactory to him, issued an order directing all the parties who were alleged to be on the point of bringing suit against the Erie managers to refrain from such action, and to refrain from obtaining orders from any court, judge, or justice that would hinder, embarrass, or delay the officers of the Erie Railway Company in the management of its affairs, and from applying for the appointment of a Receiver for the Erie Railway Company. After which deliverance, Judge Barnard ordered that Jay Gould be appointed Receiver of the Erie Railway Company, with full charge and custody of all its moneys, upon his giving bonds in \$2,000,000 for the faithful discharge of the duties of his trust.

This surprise for the anti-Gould faction was quickly followed by another, the result of which was the utter and disastrous rout of the hard-fighting clique that had struggled for a week to force Erie stock back to its October quotation, in order that they might escape without loss from the predicament they had brought themselves face to face with by offending their late Erie coadjutors. November 18th, another petition of Jay Gould came before Judge Barnard. It referred to the charge made in the Belmont suit that 200,000 shares of Erie stock had been issued in excess of the amount authorized by law,

and to the fact that the stock of the Company was then selling at about \$54 per share; that there were only 200,000 shares in the New York market, the balance being in Europe, so that if it should be decided judicially that this stock was illegally issued and must be withdrawn from the market, such withdrawal would in all probability carry the remaining shares to par and above. In view of such an event, Gould in his petition declared that the interests of the Erie Railway Company would be promoted by the purchase and withdrawal of such 200,000 shares, if they could be purchased at reasonable prices below par. He asked, therefore, that the order appointing him Receiver be so extended as to authorize him to apply so much of the Erie Railway Company's money as might be necessary for him to use in withdrawing for the benefit of the Company 200,000 shares of the stock at prices not above par. This extension of the order was at once granted by Judge Barnard, and Jay Gould had the authority of the Supreme Court to use \$20,000,000 of the Erie Railway Company's money, if necessary, to repurchase the Company's own stock at par which had been issued and sold at about 40! This at once insured the bull side of Erie. Yet the bears fought with the fierceness of gladiators to prevent the catastrophe. All in vain. November 24th the end came. Daniel Drew was forced to settle his contracts in Erie at 57, at a direct financial loss of \$1,500,000, and an irreparable loss of prestige. The conflict cost the Erie clique a much greater sum than that, but they had won the battle and avenged themselves on Daniel Drew, in spite of his abasing, humiliating, pathetic appeal to them on that fatal Sunday to pity and save him.

November 24th proceedings came before Judge Sutherland, upon motion on behalf of August Belmont, for an order to vacate all the Barnard injunctions, and the orders of the same judge appointing Jay Gould Receiver and authorizing him to purchase the 200,000 shares of Erie stock. Charles A. Rapallo, Dorman B. Eaton (late prominent among the Erie counsel), and ex-Judge Pierrepont appeared for the motions, and A. J. Vanderpoel, John E. Burrill, Clarence A. Seward, ex-Judge John K. Porter, and

ex-Judge William Fullerton appeared in opposition. Jay Gould's affidavit, denying all the charges made in the Belmont affidavit of November 16th, was read. The argument continued all day and far into the night. It was plain that Judge Sutherland regarded the Barnard proceedings and the authority they imposed on Jay Gould as anything but commendable. He granted the motion to vacate the Barnard injunction and the order appointing Gould Receiver, and appointed Hon. Henry E. Davies, ex-Chief Justice of the Court of Appeals of New York, Receiver of the Erie Railway Company.

When the news of the vacation of the Barnard orders by Judge Sutherland was carried to the Erie officers their discomfiture was unmistakable, but they immediately prepared to bring into use other weapons they had at hand. Judge Barnard was first appealed to. The ink was not dry on Judge Sutherland's preliminary order in the Receivership matter when Barnard, ex-parte and out of Court, issued an order staying all proceedings under Judge Sutherland's order pending an appeal, this stay not to exceed twenty days. Before midnight of that day, at a suit brought against the Erie Railway Company by Henry B. Whelpley, who, in his bill, described himself as a stockholder of the Erie Railway Company, Judge Samuel Blatchford, sitting in the United States Circuit Court for the Southern District of New York, had appointed Jay Gould Receiver of the Erie Railway Company. Under this appointment Gould was to give bonds in \$1,000,000, and the Erie Railway Company was ordered to transfer to him and place in his name \$8,000,000 with which to protect the rights of the plaintiff Whelpley and other stockholders. Gould's securities were Henry N. Smith, James Fisk, Jr., William M. Tweed, and Hugh Smith. The plaintiff's attorney in the suit was Clarence A. Seward.

November 24th Field & Shearman, in the name of the Erie Railway Company, entered one suit against August Belmont, Ernest B. Lucke, Richard Schell, Daniel Drew, and Frank Work, and one against Daniel Drew, Richard Schell, and Frank Work. The first was on the affidavit of Jay Gould that the suit brought by Belmont and Lucke, ostensibly in the interest of Erie stockholders, was really to force

the Erie Railway Company to pay them a large sum of money to make good their losses in a stock-jobbing speculation in Erie in October and November, 1868. In this suit the Erie Railway Company demanded \$1,000,000 damages. The second suit was brought with the avowed intention of compelling the defendants to repay to the Erie Railway Company \$429,210, which, it was alleged, had been exacted from the Company in the settlement of the Drew-Vanderbilt suits, to make good their losses in the speculation that led to the first Erie War.

On this same day, on application of Clarence A. Seward, Judge Barnard, in the suit of Belmont and others *vs.* The Erie Railway Company, in which Judge Sutherland had appointed ex-Judge Davies Receiver, granted an order removing the cause, so far as it affected James Fisk, Jr., from the State courts to the United States Circuit Court, and staying all proceedings in the action in the State courts against Fisk. The effect of this was to leave Fisk in possession of the railroad as a Director, free from the control of Receiver Davies, provided that Receiver Davies should ever get an opportunity for exercising any control by virtue of his appointment. This new move on the part of the Erie party was promptly met by their opponents. Judge Sutherland, on application of Charles A. Rapallo, granted an order on the defendants to show cause, November 25th, why Judge Barnard's order should not be vacated.

November 25th Judge Sutherland, ignoring the stay which Judge Barnard had granted in the case, settled the order of his appointment of Judge Davies as Receiver, making it absolute. This disposed of, Judge Sutherland vacated Judge Barnard's order granting the stay.

Soon after these proceedings were settled, or, as it was charged, before they were entirely a complete part of the court records, a further stay was obtained by counsel on behalf of the Erie party, this time from Judge Cardozo, who made his order returnable November 30th. Not to lose any time, Receiver Davies, accompanied by his counsel, ex-Judge Noah Davis and Dorman B. Eaton, went at once, after the settlement of Judge Sutherland's order, to the Grand Opera House at Twenty-third Street and

Eighth Avenue, where the offices of the Erie Railway Company had been established in resplendent quarters. If the Receiver had had visions of marching triumphantly through the portals of the Opera House, serving his papers on a defeated and humiliated President of the Company, and a despondent and unresisting staff of aids, and receiving from them the keys and combinations of the strong boxes, with every token of submission to his authority, these visions must have vanished quickly when he arrived at the outer gate, for the gates were not only locked, but there was a body of men outside to guard them, and the countenances of those men were not gentle. In fact, they were of the class known in the parlance of the sporting gentry as "toughs." They were commanded by one "Tommy" Lynch, who knew a thing or two. When entrance was demanded by Receiver Davies, he was ordered to take himself off, and if an Erie Railway employee, who had known Dorman B. Eaton when he was one of the Erie counsel, and who had not heard that Mr. Eaton was now particularly under the ban of his recent employers, had not from that recognition supposed the delegation was all right and proper, it is not at all likely that Receiver Davies would ever have had even a brief sight of the interior of the offices where he supposed he was soon to be himself enthroned. The employee passed the word to the guard, and the iron gate was opened. It was then an easy matter to get to the apartments of Gould and Fisk, who were in council with their advisers. The presence of Judge Sutherland's Receiver and his counsel in the office of Judge Barnard's and Judge Blatchford's Receiver was not at all expected by the latter or his friends, and it was followed by momentary suspense and embarrassment. This over, the visitors were received with some show of politeness, especially by Comptroller Fisk, who soon withdrew. The matters moving the visitors had not yet been more than referred to, when Erie's Comptroller returned. He at once ordered the visitors to leave the building. They refused. He summoned a number of "Tommy" Lynch's guard, and gave orders to them to forcibly eject the strangers from the place. The consummation of this act of violence was prevented by the prompt interference of ex-Judge Fullerton,

Thomas G. Shearman, and others of the counsel. Quiet having been restored, Receiver Davies served his papers on Receiver Gould and the others, and gave notice that he had taken possession of the Erie Railway Company's property. Receiver Davies was then served with Judge Cardozo's order staying the proceedings pending a hearing on November 30th. This order Judge Davies disregarded, and, satisfied with having taken legal possession, he retired with his counsel, prepared to return on Friday and assume charge of affairs. Judge Davies must either have been of child-like simplicity or had learned nothing by experience with the managers of Erie; otherwise, he would have remained in possession while he had it. When he returned on Friday he could not regain it. The guards knew not his authority, and he never saw, in an official capacity, the inside of Erie's splendid halls again.

The news of the action of Judge Blatchford in appointing Jay Gould Receiver of the Erie Railway Company had fallen like a bombshell in the camp of the Belmont party. Judge Blatchford's character and ability were of such a high order that his decision and prompt movement in the Whelpley case—Whelpley being an employee of the house of Smith, Gould & Martin—came with stunning force to those who had started in on their campaign against the new Erie managers with the apparent idea that the law would quickly and easily overthrow them, and rescue Erie from the alleged disaster toward which they were wildly rushing her. This sagacious move of Gould in taking the contest into the United States Court, and the gaining of the instant indorsement of his cause in that court through the medium of one of its most discreet and impartial justices, opened the eyes of his assailants to the fact that they had thrown down the gauntlet to one who had new and original ideas about such warfare, and who had no use for old weapons that had proved valueless, but forged new ones as he fought, and used them in unexpected and unprecedented ways. The advantage gained by Gould in Judge Blatchford's court being followed so quickly by his virtual turning out of doors of Judge Sutherland's Receiver, in defiance of all the writs and orders with which he was fortified,

forced the further discovery upon the champions of the anti-Gould party that the genius of Gould held itself as something above even the law and its machinery, and that unless they quickly showed him how fatal his error was in this respect, he might so change the aspect of the contest that they themselves would appear to the public as the real malefactors in the case, against whom and their wicked designs Gould was defending the rights, franchises, and treasury of the Erie Railway Company.

As soon as they could collect themselves, after the Blatchford proceedings and the cool ignoring and repudiation of ex-Judge Davies's claims as Receiver, Belmont's counsel made a countermove, November 28th, before Judge Nelson, in the United States Court. Two petitions were presented to him, one from August Belmont, citing the various alleged acts of Jay Gould against the true interests of the Erie Railway Company, and asking for the vacation of Judge Blatchford's order appointing him Receiver, and for his removal as such. The other petition was from ex-Judge Henry E. Davies, who related in detail his appointment as Receiver of the Erie Railway Company, his vain efforts to obtain possession of the property, and his prevention by force from the performance of his duties as Receiver, and prayed that he might be put in possession of the property by the action of the United States Court. Judge Nelson issued an order on all parties interested to show cause on Monday, November 30th, 1868, why these petitions should not be granted.

There had been great commotion in and about the Erie quarters at the Grand Opera House ever since the new war began, but on Saturday, November 28th, the excitement, although under a state of repression, seemed to be more intense than ever. Jay Gould, his lieutenants, and the great army of eminent counsel had been in almost constant consultation for twenty-four hours. That some important, or at least sensational, move was being planned was evident. The guards at the iron gates were especially vigilant. A strong force of the city police was also on duty, as if it might be that some breach of the peace was not improbable. Process-servers were hanging about, watchful, and ready to thrust

their papers upon the persons named in them at the first opportunity. Reporters by the score were busy at the no-easy task of learning something of what was going on within the mysterious portals, and filling their note-books with guesses. Politicians of note, and some of notoriety, flocked around the building, and seemed to be the only ones whose cards could cause the iron gates to open.

At midnight on the 28th the Erie magnates were busy within the locked and guarded privacy of the President's room, but soon afterward James Fisk, Jr., carrying a satchel, and accompanied by two of the Erie counsel, left the building, entered a carriage, and drove to the Twenty-third Street Ferry. The carriage was followed by a patient process-server, who had for hours longed for such an appearance. He succeeded at the ferry in serving Fisk with the papers in the proceedings of that day before Judge Nelson. Fisk and his party crossed the ferry. In the Erie yards at Jersey City a locomotive and a special car, plainly on previous order, were awaiting the party. Fisk and his companions entered the car, and were instantly whirled westward over the Erie. On Monday morning the New York newspapers and the press throughout the land startled the world with the announcement that James Fisk, Jr., Comptroller of the Erie Railway Company, had fled to Canada, bearing with him the funds and books of the Company, to escape the inevitable punishment that was awaiting him and his associates in the Erie management. Fisk got no nearer Canada than Binghamton, Broome County, N. Y. He telegraphed from there a denial of his reported flight, and explained his hurried trip from New York by the statement that he was on business connected with a rolling mill which was making rails for the Erie Railway Company. He was so much outraged by the published reports that he ordered the bringing of libel suits against several newspapers, claiming damages far up in the hundreds of thousands of dollars. So far as the record shows, none of these newspapers was ever called upon to pay any of the damages claimed.

Whatever business Fisk might have had with the rolling mill, it was not that business entirely that called him to Binghamton. Judge Ransom Balcom, of the Supreme Court, lived there, and on Novem-

ber 30th, in proceedings brought in the name of the Erie Railway Company against its officers and Directors and the plaintiffs in the Belmont suits, he issued an order appointing Giles W. Hotchkiss Referee to examine into all the proceedings already instituted in the Erie litigation, and make report.

The hearing under the order of Judge Nelson, of the United States Court, came up before him Monday, November 30th. Voluminous affidavits, offered by all the parties concerned, were read, among them a long one by Jay Gould, in which he denied all the allegations made by the plaintiffs; declared that the settlement in the Drew-Vanderbilt litigation had been against his protest and in spite of his opposition; that the treasury of the Erie Railway Company had been left practically empty, and was in that condition when he and his associates came into control of the Company; that no new Erie stock had been issued by him or the management since the annual election, October 13th, and that the alleged over-issue had been necessary to meet peremptory obligations of the Company, among them the acceptances for \$3,500,000 given in payment of the Boston, Hartford and Erie bonds, by the terms of the Drew settlement with Vanderbilt. The argument in the hearing was adjourned from day to day.

While counsel were arguing the merits of the complicated issues of the new Erie War before Judge Nelson on November 30th, counsel for Gould and his associates applied to Judge Cardozo, a judge coördinate with Judges Sutherland and Barnard in the Supreme Court, for an order granting a stay in the matter of the Receivership of Judge Davies, and he issued a writ staying all proceedings thus far had before Judge Sutherland, and ordering the parties interested to show cause on Monday, December 7th, why they should not be vacated. Judge Sutherland promptly granted an order, in counter-proceedings, for cause to be shown on Wednesday, December 2d, at 11 A.M., why Judge Cardozo's order should not be vacated. Judge Cardozo issued an order early Wednesday morning changing the hour to 10 A.M. This led to such complications that Judge Sutherland, disgusted with the entire proceedings, refused to have anything further to do with them, and

handed the case over to the tender mercies of Judge Cardozo.

Pending the weary dragging along of the arguments before Judge Nelson to settle the case of Erie, James Fisk, Jr., by way of giving variety to the war, and to show that the Erie management was determined to exact justice though the heavens fall, began proceedings, December 10, 1868, against Cornelius Vanderbilt to compel him to take back the 50,000 shares of Erie he had surrendered in the Drew settlement, to repay the \$3,500,000 paid him by the Company for the stock, and to refund the \$1,000,000 he received on the same compromise, all of which, the complainant alleged, Vanderbilt had wrongfully received from the Erie treasury at the hands of the men who had settled their individual embarrassments at the expense of the Erie Railway Company in July, 1868.

"Previous to commencing this suit," said James Fisk, Jr., in explaining matters to the court in one of the many hearings it had, "I made a tender of 50,000 shares of Erie stock to Vanderbilt. I went up to his house, in company with Thomas G. Shearman. I received the certificates of shares from Gould, and put them in a black satchel. It was a bad, stormy day, so we got into a carriage, and I held the satchel tight between my legs, knowing it was valuable. I told Shearman not much reliance could be placed on him in case we were attacked, he was such a little fellow. We concurred in the opinion that it was dangerous property to travel with; it might blow up. We rang the bell and went in. The gentleman came down, and I said:

"'Good morning, Commodore. I have come to tender you 50,000 shares of Erie stock, and demand back the securities and money.'

"He said he had had no transactions with the Erie Railway Company; and would have to consult his counsel. I told him I also demanded \$1,000,000 paid him for losses he purported to have sustained. He said he had nothing to do with it, and I bade him good morning."

December 15th Judge Nelson made his decision in the Gould Receivership case. He vacated the

order of Judge Blatchford appointing Gould as Receiver, set the Gould Receivership aside, and sent the whole case back to the State courts for adjudication. While this decision was a defeat for Gould in one aspect of the case, it was, in fact, a victory. He had demonstrated from the start and all through the proceedings such a capacity for meeting emergencies and turning them to his account when they seemed most harassing to him, that he had strengthened his footing at every step.

The handing over of the Erie case to the State courts necessarily placed it before Judge Cardozo, whose injunction in the Sutherland proceedings, by the way, had been dissolved by Judge Boardman of Chemung County on December 8th. Judge Cardozo immediately issued an order staying all other proceedings in the case, and held it for reargument before him. This practically brought this Erie War to an end. Jay Gould and his party were more firmly established in their control of Erie than ever. There were now no injunctions to give them trouble, and they had put all their assailants virtually on the defensive. The Belmont-Gould litigation passed entirely from the public mind. Although he had been appointed Receiver by two different judges, and the decision as to whether he was Receiver or not was still pending; and although ex-Judge Davies had also been appointed Receiver of Erie, and was also waiting to know whether he was Receiver or not, Jay Gould had transacted the business of the Company right along as President and Treasurer. Then, on February 10, 1869, Judge Cardozo made deliverance of the result of his long pondering over the points of the Belmont case, which had been handed over to him in bulk first by Judge Sutherland and later by Judge Nelson. His opinion was as long, almost, as the arguments had been, but resolved itself into the simple fact that there had been no ground for the appointing of a Receiver by any one, and that railroad directors had a right to issue convertible bonds and turn them into stock whenever they were so inclined. This was the last the public ever heard of the litigation.

The public had also forgotten that there were pending somewhere in the courts the suit of the Erie Railway against Cornelius Vanderbilt, which had

been begun in December, 1868. Suddenly, November 20, 1869, it was called before Judge Barnard, in the Supreme Court. The great defendant was put on the witness stand. Although he had a few months before denied publicly over his own signature that he had ever received any money from the Erie Railway Company, or had anything to do with it in the settlement of 1868, he admitted, on his examination in this Erie case, November 20, 1869, that he had received from Jay Gould, as Treasurer of the Erie Railway Company, in July, 1868, a check for \$1,000,000, and the bonds, for carrying out a contract he had made a few days before with Daniel Drew to sell Drew 50,000 shares of Erie stock at 80, to be paid for in cash, \$4,000,000. He accepted 625 one-thousand-dollar bonds of the Boston, Hartford and Erie Railroad, however, in payment for 5,000 shares of the stock, leaving only \$3,500,000 to be paid in cash. Mr. Vanderbilt denied that it was part of the agreement in the settlement that he was to give the Erie Railway Company the privilege of buying 50,000 more shares of him, but David Dudley Field, of the Erie counsel, produced the agreement, duly signed by Vanderbilt. It turned out also, that he had not received a check for \$1,000,000 from Jay Gould, but two checks the sums of which made that amount. The defendant denied, in all the transaction, that it was anything to do with the Erie Railway Company. It was a personal deal between Daniel Drew and himself. This Daniel Drew swore was the case as he understood it. He said he had bought 50,000 shares of Erie from Vanderbilt and paid him \$4,000,000. He had agreed to hold his stock, and Vanderbilt had agreed to hold 50,000 shares of Erie, neither one to sell without the knowledge of the other.

"I had an idee," said Drew, "that I might want to git control of Ary ag'in, and if I had 50,000 shares o' stock, Vanderbilt's 50,000 might come in handy."

The suit was becoming interesting, when Mr. Field asked for an adjournment on the ground that the suit of Ramsey against the Erie Railway Company had been called at Rochester, and his presence was imperative there. This suit was one of the manifold actions and cross-actions that had grown out of an attempt of the management of the Erie

Railway Company to obtain possession of the Albany and Susquehanna Railroad. The adjournment of the suit in the midst of its hearing was vigorously opposed by Vanderbilt's counsel, but Judge Barnard was on the bench. He adjourned the case until the first Monday in January, 1870. At that hearing he decided that he could entertain the action only so far as it sought to recover the \$1,000,000. The case was again adjourned. The telling of its progress and termination belongs to later chapters in this History of Erie.

## II. GOULD SUPREME.

In the midst of the whirl and excitement of the desperate struggle in Wall Street that had shaken the financial foundation of the country as with ominous preliminary rumblings of a mighty earthquake, and from which trouble he had not come himself unscathed, and in spite of the savage and persistent assaults of powerful rivals who attacked him on every side to encompass his downfall, Jay Gould found time to formulate plans not only for the making of himself more secure in his position, but for the extending of his influence and power from the vantage ground of his control of Erie, and to find the means to keep in motion the machinery necessary to the pushing forward of such plans to the desired issue. The friends of the new control of Erie by courtesy called it the "Erie Management"; but, although personally he was least in public evidence of any of his associates, Jay Gould's genius dominated the rule of Erie as indisputably as if Jay Gould alone had the right to plan and act. Fisk, Lane, Thompson, Davis, Tweed, Sweeny, and others in the Board were automatons, moving only at the will of Gould, so closely had he allied their interests with his and such was the fascination of his audacity, his daring, his originality, and his fine contempt for harassing conventionalities—although he never acted without the advice of the best counsel that money could procure, advice that perhaps not infrequently came as the wish that was father to the thought.

The men who had entered the lists against Jay Gould with the determination to end his career at its

very outset, soon discovered that they had much mistaken the quality of the man. They knew him only as a Wall Street broker and speculator, presumably learned only in the ways and means of the Street, although perhaps past master in their mysteries. That he had any thought or idea in connection with the Erie Railway that did not centre in the most profitable use he could make of its property, as a tender to his Wall Street schemes, never occurred to them. As a matter of fact, although his practical experience in railroad management had been slight, and such as to attract no attention outside of the local circle directly interested in the outcome of his management, the problems of transportation, the great possibilities of railroads in the future development of the resources of the country, and the dominating influence and power they were destined to bring to men who could grasp such control of them, as well as concentrate certain existing lines and projected lines into a uniform system under one managerial head, had long been a subject of profound study and thought with him. Whether or not the promptings of ambition led him, through Daniel Drew, into the Erie Directory in 1867, and to the manipulation by which he obtained subsequent control of the Erie and the power to raise millions on its credit at will, it is certain that no sooner was he in sure control of the Company than he made it apparent that possession of Erie was not the sole end he was battling for, but only the means to a greater end.

In 1868 the Erie Railway was still practically only a local line. It had a terminus at Buffalo and one at Dunkirk. Its cars could run no farther. They were of the six-foot gauge. The connecting lines were of the standard gauge. At Salamanca the Atlantic and Great Western Railroad, the broad-gauge line that was to have revolutionized the through transportation business of the country, but which had as yet failed in its purpose to such a degree that it was having a desperate struggle to keep its own wheels revolving, made connection with the Erie, but not a satisfactory one. This road extended to Dayton, O., by its own line, and had entry to Cincinnati over the tracks of the Cincinnati,

Hamilton and Dayton Railroad. The Ohio and Mississippi Railroad gave it a further convenient route to St. Louis. At Dunkirk and Buffalo, passengers and freight over the Erie between New York and Chicago were transferred to or from the Lake Shore Railroad or Lake Erie steamboats. Consequently, the Erie Railway was at the mercy of its Western connections. True, neither the New York Central nor the Pennsylvania Central had its own through Western connection as yet, but each had an advantage over the Erie in its arrangements for Western traffic.

Jay Gould soon formed plans to get control of certain railroad lines the possession of which would make him master of the interstate transportation situation. His first move was to effect a lease of the Atlantic and Great Western Railroad Company, which was practically owned by James McHenry, of London. This gave the Erie an unbroken route between New York and Cincinnati and St. Louis. It was also the beginning of the entanglement of the McHenry interests with those of the Erie Railway Company, the complications growing out of which assailed the peace and drained the treasury of the Company for many years, forced the Company into a Receiver's hands, and entailed upon it a heritage of lasting misfortune.

This acquisition opened the eyes of the other great railroad managers of the East, and especially those of the Pennsylvania Central magnates. The Atlantic and Great Western Railroad had a branch into the Pennsylvania oil regions, and one to Cleveland, where there were large oil refineries. The petroleum field was still confined to the Oil Creek and Alleghany valleys in Pennsylvania. Owing to its location, the Atlantic and Great Western Railroad commanded a large share of the oil traffic, this being long before the system of pipe-line transportation to the seaboard was introduced. The Pennsylvania Central Railroad enjoyed a monopoly of the oil transportation from Pittsburg, and the managers of that company had resolved to get control of the Atlantic and Great Western, change it to the standard gauge, and make it a feeder of the Pennsylvania line. The leasing of the property, therefore, by the Erie Railway Company not only surprised but alarmed the Penn-

sylvania Railroad managers. Before they had recovered from their surprise, in January, 1869, they learned that Jay Gould had made an agreement with the Columbus, Chicago and Indiana Central Railroad Company for a lease of its railroad to the Erie and the putting down of a third rail on the road to meet the Erie broad gauge, and that he was further negotiating with the Chicago and Rock Island Railroad Company for a lease of its railroad. The railroad magnates of the country suddenly awoke to the fact that a giant had come among them. Such aggressive audacity was something hitherto unheard of in railroad management. If the lease of the Columbus, Chicago and Indiana Central Railroad to the Erie were consummated, it would not only give that road a through Chicago connection, but would rob the Pennsylvania Central of one of its most important and necessary Western connections; and if Jay Gould succeeded in his stupendous scheme of adding the Chicago and Rock Island Railroad to the Erie system, he would be practically master of the transcontinental trade, for the Rock Island route would be the eastern extension from Omaha of the Union Pacific Railroad, then approaching completion. This was a generation ago. The great New York Central king had not yet obtained his own line to Chicago, but was quietly awaiting his chance. The Pennsylvania Central managers were as yet only turning over in their minds the possibilities of the system which they now control. Yet Jay Gould, only a few months fledged into a railroad manager, and manager of only a ridiculed and discredited railroad at that, had laid his plans to make that railroad the centre of a system that would virtually extend from the Atlantic to the Pacific.

The Pennsylvania Central Railroad Company met Gould's negotiation for the Columbus, Chicago and Indiana Central Railroad by arguments with that Company so well backed by the Pennsylvania's treasury that it broke its agreement with Gould and signed a ninety-nine-year lease in favor of the Pennsylvania corporation. But Jay Gould was not yet driven from the field. He purchased a majority of the stock of the Pittsburgh, Fort Wayne and Chicago Railroad Company, and at the next election would

have gained control of that important line, and had a still more favorable Chicago connection than by the Columbus route. If the Pennsylvania Railroad had not been potent in the Legislature of that State, Gould would have gained his end. The famous Classification Act, passed at Albany in April, 1869, and which prevented the election of a Board of Erie Directors antagonistic to Gould, is popularly supposed to have been a shrewd and smooth bit of work originating with Jay Gould to sustain him in his manipulation of the Erie management to his own ends. This is not true. Jay Gould did not originate that effective method of defying the opposition of rival interests, although such rival interest might hold a majority of stock. He came in contact with it himself, and to his discomfiture, in his efforts to secure control of the Fort Wayne route. He held a majority of the stock in that company. An election for directors was to be held in March, 1869. The Pennsylvania Railroad Company, seeing another railroad that was necessary to its peace, comfort, and profit likely to pass into the hand of this new and energetic rival, notified its legislative agent at Harrisburg that the danger must be prevented. In just thirty-four minutes, on February 3, 1869, a bill was passed by both houses and signed by the Governor, providing that the Board of Directors of the Pittsburgh, Fort Wayne, and Chicago Railroad Company should be classified in five classes, so that only those in one class or group should be elected at the next election, another at the next annual election after that, and so on for three years, thus preventing a majority of stock from obtaining a majority of the Directors in less than that time. Jay Gould was beaten. The Board of Directors then in office was not in favor of the Gould possession, and he could only hope to elect three new members in his interest. To wait three years to accomplish his purpose was out of the question. He sold his Fort Wayne stock to the Pennsylvania Railroad Company and retired from the field. It is an interesting incident in Erie history, therefore, that the Pennsylvania Railroad Company was forced into the securing of its present great system out of its own State to save it from becoming a part of the Erie system that Jay Gould had so boldly planned to establish.

With these efforts Jay Gould had for the time to rest content in the matter of a Chicago line.

According to his report for the year ending September 30, 1869, Jay Gould had not been idle or negligent in looking after the local interests of the Erie. He had purchased for the Company a half interest in Abram S. Hewitt's Trenton Rolling Mills, where steel-capped rails were being rolled by the thousands of tons, and which were to be put down on the road in place of the rotten iron rails. He had begun to do away with the old bridges along the line, all of which were of wood, and replace them with iron bridges. The worthless old locomotives of the Company were being consigned to the scrap pile, and new ones of improved make provided. Palace or drawing-room coaches were being added to the day trains. A perpetual lease was made of the Jefferson Railroad, between Hawley and Honesdale, Pa., which brought the Erie system into direct connection with the Delaware and Hudson Canal Company's coal road, insuring to the Erie a new coal traffic of about 2,000,000 tons a year. The Delaware, Lackawanna and Western Railroad Company having defaulted in an agreement by which the Erie was to transport from Great Bend, Pa., to Buffalo, N. Y., large quantities of coal from the mines of that company, Gould had entered into an agreement with the Delaware and Hudson Canal Company by which the Erie was to construct a railroad from Carbondale to Susquehanna, over which and thence over the Erie main line to Buffalo the Canal Company was to ship a large amount of coal at profitable rates to the Erie. Another coal connection had been made at Waverly with the Lehigh Valley Railroad Company, by which seventy-five cars of coal were being shipped over the Erie daily to Buffalo. The Pavonia Ferry had been doubled in capacity by the opening of its route between Twenty-third Street, New York, and the Jersey City terminus. River frontage of 2,000 feet and an area of 60 acres had been purchased at Weehawken, at a cost of \$1,600,000, for convenience in handling and storing coal and petroleum, and for elevator purposes. In the same vicinity 80 acres had been purchased, and a live-stock depot reestablished. Extensive machine shops were building at Jersey

City, and large tracts of real estate had been purchased west of the Bergen tunnel, for the handling of crude oil in bulk. The Paterson and Newark Railroad, which was begun in the interest of the Pennsylvania Railroad, had been secured to the Erie, and it was to be extended from Newark to the main line of the Erie at the tunnel. The Newburgh and New York Railroad, from near Turner's to Vail's Gate, where it joined the Newburgh Branch, was completed, giving the Erie direct and short connection between New York and Newburgh. Thirty miles of new double track were completed and opened. Large car shops were erected at Buffalo. Wood had been discarded for coal as fuel, and the Company had an arrangement by which its coal was delivered at Waverly at cost. "The dilapidated, unwholesome, insufficient quarters of the Company in the Erie building in West Street had been forsaken for the commodious and magnificent offices fitted up in the Company's Grand Opera House at Twenty-third Street and Eighth Avenue." The Atlantic and Great Western Railroad had been leased, and profitable traffic arrangements made with the Cincinnati, Hamilton and Dayton and the Ohio and Mississippi Railroads, which gave the Erie direct and unbroken connection between New York and Cincinnati, Cleveland, and St. Louis. All the east-bound business of the Union Steamboat Company's fleet of twenty-two steamboats had been secured by connection at Buffalo.

"Prior to my becoming executive officer," said President Gould in his report, "the Board voted to give the Boston, Hartford and Erie Railroad Company substantial aid in the shape of a purchase of \$5,000,000 of their first mortgage bonds. Since I became President we have paid for and taken up the bonds. This road is a very important connection, as it will open to us the heart of the manufacturing district of New England."

(But now, after a generation of patient waiting, the jilted Erie has yet to receive even one responsive throb from that \$5,000,000 heart.—*Author*.)

"In the interests of the cotton traffic of the lower Mississippi," the report declared, "the Erie has made a close alliance with the Narragansett Steamship Company, whose fine steamships connect the

Eric with Fall River, the city of spindles, enabling the cotton from the South to be taken direct to the mills, an arrangement by which the Erie's cotton business is being largely and rapidly increased." It was also incidentally and calmly stated in this reassuring report that the outstanding stock of the Company was \$78,536,910, being an increase since September 30, 1867 (one year), of nearly \$53,500,000!

But in spite of the rosy reports the Erie management made of its doings, of the increase in the Erie's business, of the surplus of receipts over expenses, and of the constant extending of the Company's field of operations, its stock was ridiculously low in the market, and its bonds of but little value. Stockholders wanted to know why some of the surplus earnings were not turned into dividends. Between \$50,000,000 and \$60,000,000 had been added to the capital stock in less than two years. It was itemized in the Company's reports as "paid up." Where was the money that had been paid for it? It had been used in betterments of Company's property, leasing new railroads, buying coal mines, rolling mills, etc., was the reply of the management, and the earnings of the Company were also invested in that way. This naturally set the dissatisfied to inquiring and investigating, and brought forward the English stockholders with disturbing questions.

Early in the Gould control, millions of the over-issued stock were purchased by English investors, the low price tempting them. But the price not only remained low, but became still lower, and the great foreign holdings that the management had welcomed now returned to plague the Erie management. Foreseeing the possibilities of danger that lurked in a combination of the English stockholders and the dissatisfied ones at home, Jay Gould took advantage of the lesson he had been taught by the Pennsylvania Railroad Company in the Fort Wayne transaction, and, Vanderbilt agreeing, secured the passage by the Legislature, at the session of 1869, of the memorable Classification Act. This act authorized the Directors of the Erie Railway Company (and of the Vanderbilt companies) to so classify themselves

that one-fifth of their number should go out of office in each year. The Erie Railway Company had seventeen Directors, and they were classified under this law into five divisions, in groups of three or four directors each. These divisions were to go out of office at the end of one, two, three, four, and five years, successors to the retiring three or four members being elected immediately, instead of the entire Board going out of office at once and an entire new one being elected. The object of this plan was to prevent the possible election of a hostile majority to the existing management, something that could not well be done by the election of only three or four successors to a retiring group. It had the desired result, but aroused a feeling in the Gould opposition that started the bitter two years' fight, in the Courts and the Legislatures, which was still of doubtful issue in 1872, when treachery in the house of his friends accomplished in an hour what his enemies had striven for years to secure by open warfare—the downfall of Jay Gould as the Dictator of Erie.

The first Board of Directors under the Classification Act was elected in October, 1869, as follows:

*Term to expire in October, 1870:* Homer Ramsdell, Charles G. Sisson, Justin D. White.

*Term to expire in October, 1871:* John Hilton, M. R. Simons, George C. Hall.

*Term to expire in October, 1872:* John Ganson, O. W. Chapman, Henry Thompson.

*Term to expire in October, 1873:* Alexander S. Diven, Henry N. Smith, Abram Gould, Horatio N. Otis.

*Term to expire in October, 1874:* Jay Gould, James Fisk, Jr., William M. Tweed, Frederick A. Lane.

The officers elected and appointed were Jay Gould, President and Treasurer; James Fisk, Jr., Vice-President and Comptroller; Horatio N. Otis, Secretary; Mortimer Smith, Assistant Secretary; Justin D. White, Acting Assistant Treasurer; Frederick A. Lane, Counsellor; Thomas G. Shearman, Associate Counsel; L. D. Rucker, General Superintendent; J. W. Guppy, Assistant General Superintendent; B. W. Blanchard, General Freight Agent; W. R. Barr, General Passenger Agent; J. N. Abbott, Assistant General Passenger Agent; J. C. Calhoun, Auditor; G. Morosini, C. W. Winslow, Assistant Auditors.

## III. BREAKERS AHEAD.

It must be remembered that these events were occurring at a time when the condition of the country was still to a great extent subject to the effects of many of those extraordinary measures which the Civil War had made necessary. The war had ended but four years before. Specie payments had not been resumed. Gold was still a speculative commodity in the exchanges of the land, and was subject to such fluctuations in premium as suited the manipulations of Wall Street. A certain moral laxity in the conduct of business affairs, which the influence of the war seemed to have induced, still balefully pervaded commercial and financial transactions. The moral wholesomeness of those walks in life is not to-day beyond suspicion, but it is safe to say that in these times quick destruction would follow any combination that sought to secure possession and control of a railroad or any other property by the methods that threw the Erie Railway into the hands of its new management in 1868.

It was a matter of much wonder at the time, and it is no nearer an explanation to-day, why a man so reserved, and one whose private life was blameless, should have remained passive in the matter of the grotesque, scandalous, mountebank-like doings of James Fisk, Jr., which kept the name of Erie unduly and in a questionable light before the public. The methods that had been thought necessary to gain control of the Erie were notorious enough, but they were of a matter which only enemies of the management had sought to keep in the public eye (and they were tiring of the task); but Fisk's theatric antics, his ridiculous masquerading, his pompous assumption of the title of Admiral, because of his connection with the Narragansett Steamboat Line, his naming of himself the Prince of Erie, his disgraceful orgies under the very roof of the Company's office building, his wild extravagancies, by all of which the name of Erie was dragged in the mire—these were inexcusable flauntings in the face of public decency and opinion of the power and license that control of Erie and its treasury had conferred. Undoubtedly it would have been well for Jay Gould if he had stopped all this. It would not have pre-

vented the ultimate wresting of Erie from his possession, but it might have prolonged his tenure.

Jay Gould's arrangements for connections that would lift the Erie from the position of a railroad that was practically merely local in influence to one commanding a place of general importance were so perfected by April, 1869, that the following official announcement, in bold display lines, appeared in the newspapers of the East and West:

*"Erie Railway—One Thousand, Four Hundred Miles Under One Management—Eight Hundred and Sixty Miles without Change of Cars. The Broad-Gauge, Double-Track Route Between New York, Boston, and New England Cities and the West."*

This meant that the Erie Railway Company controlled its own line between New York and Cincinnati, via the Atlantic and Great Western and the Cincinnati, Hamilton and Dayton Railroads. It was a big step forward in railroad management, for, as we have seen, the New York Central was not yet in control of the system that gave it absolutely its own connection with Chicago, and the Pennsylvania Central had been forced into acquisition of its Western lines by Jay Gould himself. This virtual extension of the Erie Railway had great effect on the traveling public. The people along the line of the railroad felt that their deliverers had come. But Erie stock did not show any inclination to rise. People who travelled over the Erie, and people who dwelt within its province, were loud in their praise of Gould and Fisk, but there were stockholders who were disagreeable in their persistence in wanting to know why there were no dividends. As the management of Erie had expected, foreign stockholders combined with dissatisfied American stockholders and sent formidable agents to this country to force the control of Erie out of the hands of Jay Gould. The first step they made looking to that end was the attacking of the Classification Act, and demanding its repeal by the New York Legislature, at the session of 1870. A great deal of the time of the Legislature was occupied, during that session, listening to the reasons of one party why the salvation of Erie

depended on the repeal of the act, and to the reasons of the other party why absolute ruin awaited Erie if the act was repealed. There had been politics, indeed, in the election of the fall of 1869. There were some able political managers in the Directory of Erie. It became evident that the interests of the Erie management had suffered nothing in that election. At any rate, after long and patient consideration of the merits of the question of repealing the Classification Act, the law-makers decided that it would not be well to repeal that act, and it remained on the statute books.

The defeat of the opposition to Gould in their attempt to secure the repeal of the Classification Act did not discourage them. The Englishmen had organized as the Erie Stockholders' Protective Association, and were well reinforced by their American coadjutors. The combination was by no means a popular one here, as there was a strong feeling, even among people who did not approve of the Gould treatment of Erie, against the Company and its property passing into the hands of foreign owners.

Soon after the immense holding of the stock was purchased in England, the new owners discovered that it was registered on the books of the Company in the names of the original holders, who, under the law, had the right to vote it until it might be transferred on the books to some other name. The English stockholders thereupon chose Robert A. Heath and Henry A. Raphael, two London bankers, a committee to represent them, and gave them power of attorney to have stock transferred on the Company's books in New York in their names, the committee then to take out new certificates and send them back to England. In the spring of 1870 the New York agents of the London Committee took 16,000 shares of this stock to the Erie Railway Company's office in the former city, and left it there for transfer. Later, 60,000 shares were left. Before it was transferred, John Nyce, a rural lawyer, living at Milford, Pike County, Pa., 100 miles from New York and eight miles from the Erie Railway, achieved a sudden but transient fame by appearing as a complainant in a suit against James Fisk, Jr., Comptroller, and Justin D. White, Treasurer, of the Erie Railway Company.

He had by some occult means discovered that these trusted custodians of Erie's finances had conspired to transfer the 60,000 shares of stock according to the request of the parties presenting it, against the true interests of the Company! This suit was brought by Mr. Nyce to prevent such a heinous breach of trust. With strange coincidence, the suit was brought before Judge Barnard, who issued an order directing the 60,000 shares to be placed in the hands of one James H. Coleman, as Receiver, and enjoined the committee of English shareholders from undertaking to get the stock transferred. The Receiver was authorized to employ counsel and pay him for his services out of the stock, which was ordered transferred in the name of the Receiver. The stock was worth \$6,000,000 at par. The Receiver's bonds for the safe custody of it were fixed at \$100,000. This stock was voted on at the next election, but not against the Gould régime. The strange part of this suit, to the innocent and uninformed, was that Fisk and White, the alleged conspirators against the well-being of Erie, remained as ever in the close counsels of the Erie management.

This case, in the course of time, got into the United States Court, and March 11, 1871, a year after it was begun, Judge Blatchford ordered that the stock be restored to its owners. Before this was done Judge Barnard was called into action again. Judge Barnard was always loaded with injunctions or orders, and he was ready for this emergency. He ordered that the stock should be placed in the hands of a new Receiver, Charles Robinson by name, who was authorized to take in possession all other stocks that might come forward for transfer in the name of Heath and Raphael. Judge Barnard overestimated even his power in this case, and found that he could not, legally, appoint a Receiver for property that was in the custody of another court. Consequently, the stock was restored to the agent of the London Committee, and, under absolute order of the United States Court, was transferred on the Company's books, a year and a half after it had been presented, and at a cost of \$25,000 to its owners. This contact with the Erie management in that line of procedure satisfied the English committee that it was perhaps a trifle presumptuous for them to have

thought to smash down at one assault the ramparts against which a Vanderbilt and a Belmont had battered and battered in vain, and they took their stock and went back home, where they sat down and pondered.

The results of these efforts on the part of the Gould opposition was to strengthen for a time the management and increase its prestige. The Legislature of 1871 was kind and complacent. The Erie management passed through not only unscathed, but with a clean bill of health. But influences unseen and unknown were even then at work that boded it no good. First came the shock of the Tweed Ring exposures like a thunderbolt from a clear sky. Tweed and Sweeny were leading and influential Directors in the Erie Board. Tweed was one of the trusted majority of the Gould Executive Committee. Even the name of Erie could not help but be besmirched by having such advisers in her councils.

The annual election of 1871 resulted in the choice of a Board of Erie Directors substantially the same in their relations to Jay Gould as the previous Boards had been, with the exception, of course, of William M. Tweed and Peter B. Sweeny, who were then fallen and broken idols. To all outward appearances, the year 1872 opened auspiciously for the management. It was well known that a new and stronger effort was to be made to secure the repeal of the Classification Act, but there was no reason to fear that the Legislature would so far forget itself as to repeal it. But there were shadows falling. There had been much of comedy in the Erie drama. Now the brutal form of tragedy appeared. Fisk was assassinated. The "Prince of Erie"—the gay, debonair, grotesque, unscrupulous first-lieutenant of the Gould command—was dead at the hand of an assassin, victim of a wanton's smiles and treachery. After all else, now murder must come to further befoul the name of Erie.

There are those living who are strong in the belief that but for Fisk's untimely taking off the events of the next three months would have been entirely different, and that Jay Gould would have laughed at the conspiracy that sought his downfall. But that is folly. Even if Jay Gould had been ignorant, almost up to the very moment that they struck, of

the treachery of those who had been his staunchest friends, certainly James Fisk would not have been astute enough to discover it; and, when it was discovered, there was not time for even Fisk to have carried out any plan of his chief that might have prevented the result. But, as a matter of fact, Jay Gould was not ignorant of the conspiracy. He simply misjudged it.

The credit for the overthrow of Jay Gould as President of the Erie Railway Company, and the consequent radical revolution in the management of the Company and change in its policy (certainly not to its betterment), is popularly believed to belong to Gen. Daniel E. Sickles. That he figured more prominently than any other one person in the public eye during the exciting proceedings that precipitated the result, and that he was the recognized and accredited leader employed by the parties most interested in bringing the affair to successful issue, is a fact beyond dispute. But he had nothing to do with originating the plan of the campaign that overthrew the Gould management. If the methods he had set out to employ in ousting Gould had been alone relied upon by him to accomplish the purpose, the overthrow would have occurred, and a new management been installed, before his scheme had got fairly under way. Jay Gould himself became concerned in a movement to entirely change the personnel and character of the Erie management weeks before General Sickles took his first regular step toward carrying out the programme he had decided upon. While Sickles's proceedings were yet without positive coherence, other forces were at work undermining the Gould stronghold, and were well on toward success. It was these forces that General Sickles was enabled to avail himself of and carry forward to culmination the plans that gained for him the credit that attached to the "Sickles Coup."

In 1871 William Butler Duncan, of the house of Duncan, Sherman & Co., was actively identified with the affairs of the Atlantic and Great Western Railroad Company, and striving to effect some arrangement by which it could be relieved of its unfortunate complications and embarrassments. This brought

him more or less into communication with the managers of the Erie Railway Company. While in consultation with Jay Gould, one day in the latter part of November, 1871, Erie's by no means promising situation came up as a subject of conversation, during which Mr. Duncan remarked, with much positiveness:

"Gould, there is but one thing that can help Erie out of its troubles, give it credit, and enable you to sell your bonds abroad, and get money."

There had been an issue of \$30,000,000 consolidated Erie bonds by the Company some months before, but, with the exception of \$3,000,000 purchased by Jay Gould and others, at 60, no market had been found for them, as investors would not touch Erie securities while the Company's affairs were in the condition that public rumor insisted they were in. Gould was extremely anxious to have this loan placed. Therefore, William Butler Duncan's remark as to the only way it might be done instantly interested him.

"What is it that can be done?" was Gould's eager response to the remark.

"Change the Board of Directors, and put in some strong names that people have confidence in!" replied Duncan.

Gould agreed with Duncan that such a proceeding might have the desired effect. He thought so well of it, in fact, that he at once wrote to J. S. Morgan & Co., of London, commending the suggestion. J. S. Morgan & Co. were the financial agents of the Erie Railway Company in London, and greatly interested in its welfare. Gould also called at the office of Levi P. Morton in Broad Street to consult with him about the Duncan idea. Mr. Morton was prominent as a financier, but had not entered upon the successful political career that subsequently won him high and honorable place and distinction. The suggestion of William Butler Duncan met with his approval, and he mentioned the names of different men as desirable ones in any new Board of Directors.

Soon afterward Gould met Duncan at the latter's house, by appointment, to further discuss the subject, and they outlined a programme for a reorganization of the Company, and decided to submit it to the consideration of Levi P. Morton and S. L. M.

Barlow. In this programme Gould insisted that in forming a new Board all the large railway interests which fed the Erie Railway should be represented, and that especially the Lake Shore and Michigan Southern, the Lehigh Valley, the Delaware and Hudson Canal Company, the Pennsylvania Coal Company, and all the large coal interests, should have equal representation with the Atlantic and Great Western Railroad Company. This suggestion was agreed to at the subsequent meeting of Gould and Duncan, with others. No written agreement was made, but it resulted in the following communication:

*Messrs. L. P. Morton and W. Butler Duncan.*

GENTLEMEN:—Acquiescing in the importance of a reorganization of the Board of Directors of the Erie Railway by associating the best railway and financial talent in the country in its management, I propose as follows:

*First.*—To procure the resignation of the present Board, and substitute the following-named gentlemen: Jay Gould, August Belmont, J. S. Morgan, Erastus Corning, representing the New York Central; James F. Joy, representing the Michigan Central Railroad; Horace F. Clark, representing the Lake Shore Railroad; William Butler Duncan, representing the Atlantic and Great Western Railroad; Levi P. Morton, Moses Taylor, Edwin Eldridge, John A. Stewart, Thomas A. Scott, John Jacob Astor, L. M. Von Hoffman, E. D. Morgan; George Talbott Olyphant, representing the Delaware and Hudson Canal Company; John Ewen, representing the Pennsylvania Coal Company; Asa Packer, representing the Lehigh Valley Railroad Company.

In order to secure permanency to this Board, and to avoid merely speculative control, I would further propose that Messrs. Bischoffsheim, J. S. Morgan, and Sir John Rose be a committee to procure irrevocable proxies from the owners of a majority of stock; or, if deemed advisable, said committee to receive deposit of the stock and issue receipts, to be bought and sold in the market instead of the stock, said Trustees agreeing to vote at each election for such new Board, and any vacancies in the Board to be filled by the Board. The permanent organization of the company to be selected by Messrs. William Butler Duncan, Levi P. Morton, and myself.

Yours respectfully,

New York, Dec. 11, 1871.

JAY GOULD.

The idea of reorganization embodied in this Gould letter met with the approval of all concerned. It was agreed that Duncan should go to Europe to urge the plan to the representatives of the English stockholders, who were Heath and Raphael, and Bischoffsheim & Goldschmidt, the latter being in the Atlantic and Great Western interest also. Gould had in his name and controlled stock to the amount of \$24,000,000, all of which he gave Duncan irrevoca-

ble power to act upon to consummate the agreement. He assumed that the existing Board would not offer any objection to resigning in the interest of this plan to help the Company out of its difficulties.

"If there should be any trouble of that kind, however," said Mr. Gould, significantly, "I will facilitate an act of the Legislature repealing the Classification Act, and order an immediate election."

Of none of these transactions James Fisk, Jr., Vice-President of Erie, was cognizant, and it was not until Duncan sailed for Europe on his mission to obtain the approval of the reorganization scheme that Gould informed Fisk of what was going on. Gould always declared that Fisk approved of the plan and promised to aid in carrying it out. Friends of Fisk were equally as positive that he never knew of the agreement for reorganization, or, that if he did know it, his death alone prevented him from taking action that would have shown how little he approved of it. If his friends were right, they might have reflected more credit on the memory of the unfortunate Fisk by remaining silent, and assuming that he had knowledge of the entirely creditable and honorable transaction, and heartily approved of it.

#### IV. THE SHIP ON THE ROCKS.

Gould and James McHenry, of the Atlantic and Great Western Railroad Company, had quarrelled in 1871, and McHenry joined his forces in London with the organized English stockholders, who were biding their time to "pounce upon Gould and to throw him out of Erie." McHenry was not entirely disinterested in his desire. He had certain plans for combining the interests of the Erie with those of his bankrupt Atlantic and Great Western which were not satisfactory to Gould, and McHenry longed to have a management in Erie that might see things as he saw them.

The Atlantic and Great Western had been built by McHenry, who received all its stocks and bonds in payment for the work. The proceeds of the bonds were not sufficient to complete the road, and McHenry hypothecated stock to a large amount, borrowing from individuals as well as from companies whenever he could. The stock of the com-

pany was taken largely by small foreign investors, who believed it would give most profitable return. When the railroad was completed McHenry was practically its owner, but it was subject to the bond and stock debts of the company. His expectations were not realized, and in 1866 he could no longer sustain the burden he had taken. He defaulted on the interest due on the company's obligations, and on April 1, 1867, the Atlantic and Great Western Railroad passed into the hands of a Receiver. To add to McHenry's embarrassment, the Board of Directors he had created betrayed him and took from him all control over his own property. He succeeded, however, in regaining partial control in January, 1868. W. Archdall O'Doherty having been of great assistance in bringing about this result, he was made Secretary of the company, and subsequently Vice-President.

The Receiver still had possession, and McHenry was anxious to overthrow him. To do this, it was necessary to provide funds to the amount of \$1,200,000 to pay debts the Receiver had incurred. In December, 1868, McHenry succeeded in making an arrangement with Jay Gould, by which the latter agreed to advance \$1,500,000 to McHenry, or the Atlantic and Great Western Railroad Company, and take a lease and mortgage on the railroad of that company to secure the amount. The Receiver was discharged, and the road passed again into the control of McHenry.

Jay Gould, becoming satisfied that he had made a bad bargain in his arrangement with McHenry, threw up the agreement. Litigation followed, but it was finally compromised by the Atlantic and Great Western Railroad being placed in charge of a joint Receivership, the Receiver being Jay Gould in the interest of the Erie, and W. Archdall O'Doherty representing the Atlantic and Great Western interests. Subsequently S. L. M. Barlow was employed as counsel by McHenry, and in the course of the putting in shape of the Atlantic and Great Western Railroad Company's affairs according to the ideas of Barlow, both Gould and O'Doherty were ousted from the Receivership, and the road was leased to the Erie in December, 1869. Jay Gould subsequently discontinued this lease, and cut loose from

McHenry. This caused a relationship so strained between the two that McHenry joined eagerly and earnestly in the warfare against the Gould management of Erie.

In the fall of 1871 Gen. Daniel E. Sickles, who was then United States Minister to Spain, was in London, and met at a public dinner one day James McHenry and a number of distinguished foreigners. General Sickles was no stranger to McHenry. Some years before he had been associated with McHenry in the affairs of the Atlantic and Great Western Railroad Company, and in 1869 was McHenry's choice for President of that company. This was opposed so strongly by W. Archdall O'Doherty, who then had much influence in the management, that McHenry withdrew Sickles's name. At the dinner referred to above, McHenry and others, smarting under defeats in the courts of this country, were led to give utterance to their opinions.

General Sickles found these gentlemen so offensive by reason of their abuse of the judicial system and code of procedure in the United States, having for their text certain Erie Railway litigation, that he remonstrated with them, and told them flatly that any man who went to work with honesty and vigor could be sure of having every wrong righted in the United States. Impressed with this declaration, McHenry assured General Sickles that if he could in that way secure the ousting of Jay Gould from the Erie management, the interests desirous of such a consummation would pay him \$100,000. General Sickles thought so well of this that he applied to his Government for release from his post of duty for three months, which request being granted, he made an engagement with McHenry and his associates to go about the task that had been suggested. General Sickles arrived in this country about the time that Jay Gould and William Butler Duncan were busy at their plan for a reorganized Erie, with full authority from Henri L. Bischoffsheim to act. General Sickles began his campaign by recourse to the legal procedure which he had so warmly defended against its critics in London. That he did not have the opportunity to endeavor to make good his indignant declaration to McHenry that "any man who went

to work with honesty and vigor could be sure of having every wrong righted in the United States" was the fault of others, not his. He began with the law. The Heath and Raphael party had already in contemplation proceedings against Gould and others, with the same purpose in view. This suit was in charge of the Attorney-General of New York, as was necessary under the act of 1870 governing such cases. The object of this suit was to remove the officers of the Company then in power, and to call them to account for alleged misuse and application of the property of the corporation. General Sickles wrote to Attorney-General Barlow December 30, 1871, that he was authorized to proceed with similar legal measures, and at his request that the Attorney-General should name associate counsel to conduct such proceedings, the Attorney-General named Messrs. Lyman Tremain, Matthew Hale, and Henry Smith, of Albany, and William Wallace MacFarland, and James C. Carter, of New York, as such associates. These legal gentlemen were paid retaining fees out of a fund of \$12,000 placed in the Attorney-General's hands by General Sickles for that purpose, to which fund was subsequently added \$1,500, contributed by the Heath and Raphael party, who had joined the Sickles movement.

It being deemed advisable to obtain an act of the Legislature authorizing the suspension from office of the officers of the Company while the suit was in progress, the proceedings were delayed, pending such hoped-for legislation. A bill to repeal that long-standing obstruction to the plans of the anti-Gould element in Erie, the Classification Act, was also introduced as an important aid in the campaign against the Gould régime. Matters were in such situation when, toward the middle of February, 1872, General Sickles became interested to such an extent in affairs about the Erie Railway Company's offices in New York, that on February 27th or 28th Homer Ramsdell of Newburgh, an ex-President of Erie, and at that time a prominent member of the Board, received a telegram from George Crouch, requesting his presence in New York on very important business.

George Crouch, in 1869, was a journalist in New

York City, and through his duties in Wall Street work he became interested in the Erie problem, and resolved to make its solution a study. To have more time and better opportunity to do this he abandoned journalism. By close observation, and being a shrewd and talented observer, he in a few months mastered the Erie situation. He made himself not only familiar with its financial condition and the methods of its managers, but obtained accurate knowledge of its operative departments, its railroad, and the condition it was in, its rolling stock, shops, machinery, and every detail of its practical operation, everywhere along the line. He also made himself master of the affairs of the Atlantic and Great Western Railroad in the same way.

Acting upon the information he obtained, he made a report on the condition of the Erie, its prospects and its management, and the report was a showing so favorable to the popularly-discredited Gould and Fisk control, and presented those individuals and their methods in a light so new and different from the accepted one in which they had been revealed to the public gaze, that people wondered how they had been led into the holding of such erroneous beliefs regarding the Erie rulers and their railroad. The result of this work was the calling of Crouch by Gould into the service of the Company; or, rather, to a highly confidential place in the personal service of Gould and Fisk.

The ambition of Crouch seems to have been the settlement of the long-standing difficulty between the English stockholders and the Company. A plan with the accomplishment of that end in view was formed early in 1870, and Crouch was on the point of sailing for England to endeavor to carry it out, when the war against the Gould management was begun by the English stockholders, under the lead of James Burt, of London. Crouch took a prominent part in defeating that effort, but subsequently turned against Gould and Fisk. He resigned from their service, and went to England to help the foreign shareholders formulate a plan to oust the Gould management. He returned to this country early in 1872, and, as General Sickles subsequently gave it out, was here to act as a "go-between" for Sickles in his campaign against the Erie management. That

Crouch claimed, with apparent good cause, to be something more than a subordinate in the fight will appear in its proper place in this narrative.

In response to the Crouch telegram, Director Ramsdell went to New York on March 1, 1872. Crouch informed him that at the next meeting of the Board of Directors several members of the Board had agreed to resign, the object being to have their places filled with new men, antagonistic to Gould, who was then to be deposed. In this work the aid of Mr. Ramsdell was necessary, Crouch said, and he placed Ramsdell in communication with General Sickles.

"The general idea entertained by General Sickles," said Mr. Ramsdell, in giving his account of the interview, "was that the Erie Railway was a very corrupt affair, and that everybody connected with it was as corrupt as the institution. But he was very desirous of giving absolution to everybody, and indemnity as well, and it was a little difficult to resist his overtures. I told him that I neither asked absolution nor indemnity, and so far as compensation was concerned, I calculated to have my full satisfaction in doing my duty. It was hard to make him believe this, but he acknowledged my position finally."

The result of the interview between Director Ramsdell and General Sickles was that the latter consented to undertake to further the change in Erie management. Gould's long-time and trusted friends and supporters in the Board were Frederick A. Lane, Henry Thompson, John Hilton, M. R. Simons, Justin D. White, and Horatio N. Otis. White was Treasurer of the Company, having succeeded Gould himself. Otis was the Secretary of the Company. The Vice-President was Oliver H. Perry Archer, who had long held a profitable contract with the Company for transferring and delivering its freight from Jersey City to New York, and vice versa. He had succeeded Fisk in the office of Vice-President.

Late in February, 1872, Jay Gould had occasion to meet by appointment Col. Thomas A. Scott, Vice-President of the Pennsylvania Railroad Company, at the Brevoort House, New York City. This interview was on the subject of the importance of a meeting between Gould and a person who represented himself to be Lord Gordon, Earl of Aber-

deen, and who, as the reputed owner and controller of \$60,000,000 in Erie stock, was a man of importance to Gould just then.

The story of Lord Gordon Gordon, bearing as it does directly on affairs pertaining to the Erie Railway at that time, may well be told here, although the relation requires a divergence for a time from the regular thread of the Erie narrative.

In the fall of 1871 Mrs. Belden, of New York, being on a pleasure trip, spent some time at Minneapolis, Minn. Mrs. Belden was the wife of William Belden, then of the Wall Street house of Fisk, Belden & Co., the senior partner of which was James Fisk, Jr., then Vice-President of the Erie Railway Company. About that time social and business circles of Minneapolis were somewhat moved over having made the discovery that they had among them a member of the British aristocracy in no less a person than Lord Gordon Gordon, of the almost royal blood of the Gordons of Scotland, if he were not, indeed, the Earl of Aberdeen himself, of that ancient lineage. Gordon Gordon had not made personal proclamation of his nobility. He had come quietly to Minneapolis and registered at the hotel simply as G. Gordon. His manner was unostentatious, but his distinguished bearing and evident superior birth and breeding soon drew attention to him as some one not of the ordinary. In his quiet way he, after a time, talked of his purpose of purchasing 50,000 acres or so of land in Minnesota, or along the Northern Pacific Railroad, for the colonizing of English and Scottish tenants of his. Then a letter with a coronet on the envelope, and addressed, "Lord Gordon Gordon," came with his other mail one day. After that he was no longer *incognito*. He was charged with his nobility. He did not deny that he was a person of title, neither did he admit it. The Northern Pacific Railroad Company took charge of him, and sent him in grand style all along its line and its proposed line, that he might see the land the company possessed, from which to select the territory for his colony. The excursion occupied two months, and cost the railroad company \$15,000. Lord Gordon selected his land, but, for reasons that will appear, he never perfected title to it.

Mrs. Belden met Lord Gordon in a social way, and he showed her many courtesies. He was pleased to learn that she was the wife of a gentleman so closely allied with a high officer of the Erie Railway Company, he said, as he himself was a large stockholder in that Company, and part of his business in the United States was in connection with Erie affairs. Whether he had before that thought of the scheme which he subsequently engaged in, or whether his meeting with Mrs. Belden and incidentally learning the relation her husband bore to the Erie through Fisk, suggested it to him, is not known; but in January, 1872, he left Minneapolis and went to New York. There he engaged fine apartments at the Westminster Hotel, at Sixteenth Street and Irving Place, but subsequently removed to the Metropolitan Hotel, on Broadway, the proprietor of which at that time was William M. Tweed's son Richard. In the meantime Mrs. Belden had returned home, and informed her husband, as a pleasant incident of her trip, of her meeting with Lord Gordon, and incidentally spoke of his large holding of Erie shares. Belden called on Gordon at his hotel, introduced himself, and the two became well acquainted. This was at the critical time of the existence of the Gould control of Erie. Gordon told Belden that he owned and controlled 60,000 shares of the Erie stock held in England. Gordon had also made the acquaintance of Col. Thomas A. Scott, Vice-President of the Pennsylvania Railroad Company; Horace Greeley, Horace F. Clark, financier, and son-in-law of Commodore Vanderbilt, and other prominent men, all of whom became on terms of close intimacy with him. Belden, seeing the importance of having in the Gould interest the holder of so much Erie stock, reported to Jay Gould the presence of Lord Gordon in New York, and was anxious to bring the two men together. Gordon haughtily declared that he did not care to meet Mr. Gould; but on March 8, 1872, Col. Scott, not long after his Brevoort House interview with him on the subject, telegraphed Gould that he thought it would be greatly to the benefit of his interests to call on Gordon. With that telegram as his introduction, Gould went to the Metropolitan Hotel next day and met Gordon. According to the story of the latter, he told Gould plainly that he

controlled 60,000 shares of Erie, which were not on the books in his name, and that he had made a combination with other stockholders by which the management of Erie must be changed. He had no objection to retaining Gould in the management, but only on condition that all opposition to the repeal of the Erie Classification Bill by the Legislature should cease; all the entangling Erie litigation be brought to settlement and discontinued; and that Gould should renounce his Wall Street connections and operations. Gould agreed to all these conditions, and, as an evidence of his good faith, wrote and gave Gordon the following:

I hereby resign my position as President and Director of the Erie Railway Company, to take effect on the appointment of my successor.

Yours, etc.,

New York, March 9, 1872.

JAY GOULD.

Horace Greeley was present during the interview, and, in a subsequent affidavit, corroborated Gordon's statement. Jay Gould's account of the interview was that he had been told in February by William Belden that Lord Gordon, Earl of Aberdeen, was in New York, claiming to be in this country in the interest of the English stockholders of Erie. He subsequently met Gordon at the Metropolitan Hotel, Horace Greeley being present. Gordon assured him that he owned \$30,000,000 of Erie stock, and controlled \$20,000,000 more. He had been investigating the condition of the Company and its property, and had originated the legislation then pending in the New York Legislature (for the repeal of the Classification Act), and of the Heath and Raphael litigation, in the interest of the English stockholders. He was satisfied that Gould's management was all right, but the existing Board of Directors must go. Gordon said he had already arranged with the Directors that they should resign. He and his friends controlled a majority of the stock, and they would elect a new Board made up of men approved of by himself, Horace Greeley, and Gould. He said \$30,000,000 in certificates were then on their way from London which he had the power of attorney to transfer. His investigations, he said, had cost him \$1,000,000, and he thought the Company should reimburse him to the amount of at least half that sum.

Gould, taking all the circumstances together, with Gordon's intimate knowledge of the Erie situation, and having no doubt that he was in reality Lord Gordon Gordon, agreed to the plans he proposed, and deposited with him \$500,000 in money and securities as an evidence of good faith. Three days later the "Sickles Coup" revolutionized Erie affairs as in a trice, and the Gordon plan of procedure came to nothing—as it would have done in any event.

From March 9th until March 23d Gordon had in his possession the \$500,000 Gould had delivered to him, nearly \$200,000 of which was in greenbacks. During that time, had he so chosen, he could have taken himself off to the other side of the world with the wealth thus almost thrust into his hands, and that he did not do so was then, and will be as long as any of them may live, a wonder of wonders to all who were conversant with the Gordon-Gould affair. But he made no move to abscond. He did not even remove the money or securities from his apartments at the hotel, with the exception of some shares of stock in the Alleghany and Oil Creek Railroad Company, which he sent to his broker in Philadelphia.

In the forenoon of March 23d, Jay Gould stepped into the office of William M. Tweed, at 85 Duane Street.

"Tweed," said he, "I've made up my mind that Gordon is a scoundrel, and I think I'll make him give back the money and securities I gave him, or have him arrested."

"You had better see Judge Shandley about it," replied Tweed. "He's in the next room."

The result of the conference with Judge Shandley was that about half-past one in the afternoon Gould, Judge Shandley, William Belden, and John J. Kelsoe, Superintendent of Police, were in parlor 112 at the Metropolitan Hotel. A few minutes later Belden sent his card in to "Lord" Gordon, and was admitted. Gordon's subsequent story was that Belden said to him:

"Jay Gould, with Judge Shandley and Chief of Police Kelsoe, are in Tweed's room. Unless you return at once the money and the securities that Gould left with you, they will railroad you to prison before any one knows where you are!"

Fearful of what might happen to him, Gordon gave

Belden the \$200,000 in cash, 200 shares of National Stock Yard stock, 100 shares of Brooks Locomotive Works stock, and 20 Northern Railroad of New Jersey bonds. Belden took it all and went away. Presently he returned and said Jay Gould demanded the Alleghany and Oil Creek shares. Gordon wrote an order on his brokers for the shares and delivered it to Belden. An hour later Belden called on Gordon again and said that Gould was surprised that "he had given up so easily."

"He didn't expect to get more than \$100,000," said Belden, "and would have been glad to settle for that!"

"Then I sent a messenger to Philadelphia and notified my brokers," so Gordon's story ran, "not to honor the order I had given for the Alleghany and Oil Creek stock."

April 9, 1872, Gordon was arrested on complaint of Jay Gould, charged with misappropriating securities in his possession. A. F. Roberts and Horace F. Clark became bondsmen for Gordon, Clark getting out of bed at midnight to qualify, so great was his confidence in "Lord" Gordon. Following this proceeding, Gordon brought suit against Gould to recover the money and securities he had got back from him. Such lawyers as ex-Judge James K. Porter, John Graham, and James H. Strahan had confidence enough in Gordon to defend him in the criminal suit, and to conduct his case against Gould. After various adjournments, the case of Gould *vs.* Gordon was set by Judge Joseph F. Brady for final hearing on September 20, 1872. A day or so before the trial came on "Lord" Gordon disappeared, leaving his bondsmen in the lurch to the amount of \$37,000, and his lawyers humiliated and discomfited. No trace of Gordon was discovered until early in the summer of 1873, when word was received in New York that he was in Manitoba. Two Minneapolis detectives were employed by his New York bondsmen to capture him. Armed with papers supposed to be sufficient, they went to Manitoba and attempted to fetch Gordon back to the States. They were themselves arrested on a charge of kidnapping, and were thrown into jail without bail, to await trial. Governor Ramsey, of Minnesota, endeavored to make an international affair of it, and requested the

United States Government to interfere, but without success. The detectives lay in jail three or four months, when they were tried, found guilty, and sentenced to twenty-four hours' imprisonment.

After this episode Gordon retired to Headingly, an isolated place in Manitoba, where, on the evening of August 1, 1874, two officers arrested him on warrants purporting to be issued at Toronto, charging him with larceny and forgery committed in England and Scotland.

"You won't take me through the States, will you?" Gordon asked the officer.

They assured him that they would not.

"Then I'll go," said he.

Gordon stepped over the threshold of a door leading to another room, and drawing a revolver, blew his brains out before an officer could reach him.

After his death it was learned that the warrants on which he was arrested were bogus. They were part of a scheme of his bondsmen in New York to get him back to that city. He had swindled confiding Englishmen and Scotchmen out of \$50,000 before coming to this country, and he evidently believed they had sent for him at last. In Great Britain he had passed as Lord Glencairn. He was actually the son of poor Scotch people, although in one of his affidavits in the Gould suit he declared he was "the son of his mother and a Scotch Duke." Whatever and whoever he was, he had genius enough to deceive the shrewdest financiers, the greatest editor, and the most brilliant lawyers of this country, and must, forsooth, drag poor Erie into contact with his rascality. Gould recovered the value of the Alleghany and Oil Creek Railroad bonds, they having been placed in the custody of the Court pending the litigation against the fraudulent Lord Gordon.

Before Jay Gould had left the Brevoort House from his interview with Colonel Scott that evening in February, 1872, Erie Director Frederick A. Lane called on him.

"There is a great conspiracy against you," said Lane to Gould, "and you are being sold out of the Erie management."

"What do you mean?" asked Gould.

"General Sickles has been ordered home from

Europe," replied Lane, "and is in New York amply supplied with money and official backing, including a force of United States Marshals, to unseat you. A majority of your Directors has been purchased."

Then, in response to questions from Gould, according to the subsequent story from the latter's own lips, Lane exposed the whole plan of the conspiracy.

"The road is to be handed over to the Atlantic and Great Western," said he. "A meeting of the Erie Board is to be called ostensibly to fix up some Atlantic and Great Western matters. Everything is to be kept secret until the meeting. Then a motion is to be made to fill the two vacancies in the Board, and the men selected will be representatives of the Atlantic and Great Western interests. That will give a working majority in the Board in the interest of the new party. Then the retiring Directors will resign one by one, and their places be filled by names designated by the Atlantic and Great Western. Simons, Hall, White, Hilton, Thompson, Otis, and Ramsdell are to receive a price for resigning."

"Ramsdell!" exclaimed Gould. "I don't believe Ramsdell will take money!"

"He is the very hardest one they have had to bargain with," replied Lane, which surprised Gould exceedingly. "The money is to be paid by Bischoffsheim and McHenry, in the interest of the Atlantic and Great Western. They are counting on me, but I shall remain true to you, and they have not money enough to change me."

"All of which," remarked Mr. Gould dryly, in giving this narrative, "I took with a slight discount, knowing Lane very well."

The pretext for calling the meeting, Lane said, was to be an alleged necessity of the acquiescence of the Erie Board in the consummation of a general settlement that had been agreed upon between the Erie and the Atlantic and Great Western. The "conspirators" were to claim that the Ohio courts required the seal of the Erie Railway Company upon one of the articles of this agreement, to be placed there by order of the Board of Directors.

"And," said Gould, "they were going to make that the pretext for my calling the meeting and stepping into the little trap."

Some time after this information was given Gould

by Lane, the former was visited by E. K. Willard, a broker, who said he had authority to say that if Gould would pass the control of the Erie Railway Company over to the parties Willard represented, a credit for \$500,000 would be placed to his name in any bank or trust company he might designate.

"I don't care to sell out," said Gould, and he declined the offer.

True to the declaration of Lane, a request was made for a meeting of the Executive Committee to dispose of the Atlantic and Great Western matter. Gould called the meeting early in March. Ramsdell, Lane, Archer, and Gould were the Executive Committee.

"The programme was," said Gould, "as soon as this meeting was called to order, at which I would preside, to bring up a resolution calling a meeting of the Board. I had the resolution confirming the Atlantic and Great Western settlement ready, called the meeting to order, put the resolution, passed it, and adjourned the meeting so quickly that before they could get their resolution ready the meeting was over and I was off; so the effort failed. I don't know who made the motion to adjourn. I thought I heard it. Then I thought I heard a good many 'ayes,' and declared it carried."

Gould always insisted that he was not requested to call the meeting of the Board in question, although it is in evidence that a letter, signed by nine of the Directors, was sent to him for that purpose, March 8, 1872. If he did receive the letter its contents could not have been—as all published accounts of the Erie revolution record that it was—in any way a surprise to him, for he was in daily expectation of it. The probable truth is that the letter was placed upon his desk, but, divining what it was, he did not open it. But whether he received it or not, there was no response to or recognition of it. Then the signers of the letter communicated formally with Vice-President Archer on March 9th, requesting him to call a meeting of the Board for Monday, March 11, 1872, and he instructed Secretary Otis to make such a call, which was done.

That President Gould was not taken by surprise by all this is plainly shown by the fact that he had already at hand his former reliable and willing old

friend, an injunction. This had been obtained by his attorneys, Field & Shearman, from Judge Ingraham of the New York Supreme Court, on the complaint of Jay Gould that the move on the part of Vice-President Archer and the others was in pursuance of a conspiracy with agents of the English stockholders to get possession of the Erie property through bribery, and that White, Simons, Otis, Hilton, and Thompson had been, or were to be, paid a large sum of money to resign one by one from the Board, so that their places might be filled with men elected by the conspirators. The injunction was granted, but the Archer meeting was held in spite of it. Jay Gould was not in his place in the President's chair. Great excitement prevailed. Superintendent of Police Kelsoe, who was friendly to Gould, was present with a large force of police, under command of Captain Petty. There was also present a posse of Erie Deputy Sheriffs, in charge of the redoubtable Tommy Lynch. Thomas G. Shearman, of Erie counsel, made excited protests against the legality of the meeting, and for a time it seemed as if it would terminate in violence. Through the efforts of General Sickles and others the police were induced to leave the room, and the business of the meeting proceeded. The vacancy in the Board caused by the death of Fisk had not been filled. On motion of Director Lane, seconded by Director Ramsdell, this vacancy was filled by the election of Gen. John A. Dix. Then Director Sisson resigned. Gen. George B. McClellan was chosen in his place. There was a long existing vacancy in the Board, which was filled by the election of William Watts Sherman, of the house of Duncan, Sherman & Co. Director Hilton resigned, and S. L. M. Barlow was elected to his place. Thus, at the same time, Directors Simons, Otis, Thompson, White, and Lane resigned. William R. Travers, Col. Henry G. Stebbins, Charles Day, Gen. A. S. Diven, and Charles Drake succeeded them. The new Board then organized by electing General Dix President in place of Jay Gould, and William Watts Sherman, Treasurer. The rest of the Board remained unchanged—Directors Ramsdell, Dr. Edwin S. Eldridge of Elmira, John Gansen of Buffalo, Jay Gould, Henry N. Smith, Henry Sherwood of Steuben County, and

Charles Drake. Of all the old Directors only two, Eldridge and Sherwood, remained true to Gould.

Jay Gould had locked and entrenched himself in his stronghold, the President's room. When the new Board of Directors had finished its business and started to take a look about the premises they had been chosen to have control of, they found that they were locked in, and that the doors were guarded by a strong force of Erie Deputy Sheriffs. General Sickles—who had left the building after the election—says that he was sent for in this emergency, and that he went back and, with the aid of United States Marshal Kennedy, overawed the Erie guard, forced the door with a crow-bar, and freed the imprisoned Directors and officers. Then the Marshal took the papers notifying Jay Gould of his removal as President, and the election of General Dix as his successor, and demanding surrender of the building and all papers and documents, and started to serve them. He was accompanied by General Sickles and the new Board of Directors. The door of the President's room being locked and barricaded, it was necessary to force it down. Gould was in the room, but by agile leaping over chairs and tables and other furniture, and the aid of his bodyguard of Erie police, he avoided the service of the papers, and escaped to the room occupied by his counsel, Field & Shearman, his bodyguard following him. The door of this room was locked behind him. Then the Marshal's messenger, a boy named Thomas Crowley, was hoisted over the transom of the door with the papers, and Gould accepted their service. Field & Shearman excitedly advised the forcible ejection of the new officers and Board and all who were with them. Gould, who seemed to be the only calm man in the group, said:

"No! Nothing of the sort! This must be done legally or not at all."

Gould had caused during the day notices to be posted about the building declaring that he still retained his place as head of the Company, and ordered all clerks and employees to receive no instructions from any one but him or persons holding his written authority, and forbade them to interfere with any of the business of the Erie Railway Company except under his authority and direction.

Vice-President Archer ordered that these notices, and all others similar to them that might be posted, be torn down, and the nature of the feeling among the employees as to how the contest would end was quickly demonstrated by the Vice-President's order being promptly obeyed.

The excitement among the numerous employees of various departments of the Company was intense. The corridors of the great building were crowded with policemen and Deputy Sheriffs, and Twenty-third Street and Eighth Avenue were thronged with excited people, awaiting the bloody contest they believed was preparing within those marble walls. The police force and its officers were plainly favorable to the Gould side of the controversy, and at a word from him would undoubtedly have cleared the building of all who opposed him.

Gould remained entrenched in the law room until the morning of March 12th. All officials of the Company, with the exception of General Superintendent Rucker, had transferred their allegiance to General Dix. Superintendent Rucker soon reconsidered his action and went over to the enemy. Diplomacy was now brought to the settlement of the difficulty, and by it Gould plucked victory from the very jaws of defeat. The Dix party could not claim that the law was with them, but they loudly assured the public that they had justice on their side. They had routed Gould, horse, foot, and dragoon. He had positively no foothold in the Company, except that he was still a member of the Board of Directors. If the charges these men had so freely made against him as to the way he had dealt with and used the property of the Erie Railway Company were true, he was not a man to be among honorable trustees of a great corporation. His place was among malefactors, or his accusers were false accusers and slanderers. This man that the newspapers and rival stock speculators and railroad managers had so long hounded as a criminal was brought to bay at last. Surely his punishment would be the severest ever known. Just men had to deal with him now. His transgression had come to plague him. Did the men who had run him down hurl him out of all connection and association with the corporation he was charged with despoiling, and hold him to answer for his crimes?

There is no record that they did so. With all the power they had so suddenly acquired, these bold men were afraid of the man they had stripped of all his consequence in the Erie Railway Company—he, with but a handful of friends and supporters left, among the hosts that had been wont to do him homage. They dared not remove him from his place as Director, for they feared him yet, and knew he could make them trouble. General Sickles being a diplomat, he was deputed to confer with Mr. Gould and his counsel, Field & Shearman. The result of this conference was that General Sickles agreed to the proposition that Jay Gould should hold a formal meeting with the Directors, and that at this meeting the new Directors should be reelected. Then Gould was to resign as President, and General Dix was to be elected to succeed him. This childish and farcical proceeding was carried out, thus destroying the moral force of the deposing of Gould, and leaving him, in reality, victor over his conquerors. He remained in the Board with as much voice in the management of Erie affairs as any other member had. His counsel, Field & Shearman, were retained as counsel by the new Board in cases then on hand—a rich legacy from this Gould whom the reformers had set out to punish so terribly.

The Legislature was heard from on March 13th. The Classification Act was repealed on that day in the Senate, and on the 14th in the Assembly; but Jay Gould was not worrying about classification acts any more. On March 15, 1872, he resigned from the Erie Directory without giving any explanation for his act. General Sickles, being a diplomatist, counselled Gould to this course.

"If you resign," the General suggested to Mr. Gould, "it will send the price of Erie up fifteen points. You can make a million dollars."

Gould, acting on this counsel, quickly purchased all the Erie stock he could get for the next two or three days, and then resigned. The stock advanced twenty points instead of fifteen, and the deposed Erie magnate presumably made more than the \$1,000,000 that General Sickles had so kindly shown him the way to make.

Such was the beginning, the course, and the end

of Erie's career under the management of Jay Gould. Jay Gould, even, did not know then the extent of the duplicity and treachery of those he had trusted, and how deep-laid the plot for his dethronement was among them, in complicity with his enemies. He perhaps never would have known it but for the exposures made long afterward by persons who were still smarting from pique and disappointment over what small recompense the manipulation of the campaign against him had brought them from men who had climbed to power through his defeat. And here is the almost incredible story of it all:

#### V. THE DOCUMENTS IN THE CASE.

Frederick A. Lane was in London in September, 1872. While there (according to his own statement) he found that a large number of claims had been presented to the representatives of the English stockholders for services rendered in the overthrow of the Gould management of the Erie Railway Company. "A number of my friends in London" (these are his own words), "aware of the prominent part I had played, urged me to make a statement of the services I rendered. It was proposed that a select dinner should be given, to which I would be invited, and that I should deliver an address on the occasion. I did not like this method of making an exposition, being averse to after-dinner speeches. Desirous, however, of acquainting those who were the most concerned with the facts of the transaction, and of defeating the bogus claimants in their unjust demands, I ventured to make a statement that would cover the ground fully."

This seemed to have been satisfactory to those concerned, and Mr. Lane wrote his narrative, and had it printed for exclusively small circulation. Only five copies were given out in London of the edition of fifty printed. All except three of the remainder were destroyed by Mr. Lane himself. When he returned to New York he brought these three with him, and confided them to the reading of close friends, one of whom was W. Archdall O'Doherty. Of the three copies, two were returned to Lane. The third and last copy of this *édition de luxe* of Erie secrets never came back to him. This one was

the O'Doherty copy, and this is it verbatim, as O'Doherty furnished it for publication:

#### THE STATEMENT.

LONDON, Sept. 22, 1872.

GENTLEMEN:—It has been suggested to me that a narration of the different steps which brought about the Erie *coup d'état* last Spring would be beneficial to the interests of the stockholders, and, at the same time, would place my connection with that event before the public in a proper light. As you are aware, various persons have laid claim to producing the result which placed Gen. Dix at the head of the Erie Railway Company, and large sums of money have been paid to those who were not in the smallest degree entitled to remuneration for any services performed in this matter. Whatever steps may have been taken by them in the way of procuring legislative interference or action by the courts, these had resulted *practically* in nothing, until I myself originated and carried out the plan which resulted in success. I should not at this late hour put my name to paper to claim this, unless I had found certain parties absolutely ignoring me and putting themselves forward as the originators, promoters, or chief generals of the attack.

I had for a long time contemplated resigning my position as a Director of the company, believing that the interests of the stockholders would be best served by an entire change in the Board, and I so advised, repeatedly, the late President, Mr. Gould. The idea finally struck me that the majority of the Board might, for a small consideration, be induced to resign, and with this view I casually mentioned the matter one morning to a member of the Board, Henry Thompson, feeling sure that with his known resolution and active coöperation I should succeed. The amount we fixed upon was \$500,000, and immediately after I commenced the negotiation. I proposed the plan to Mr. Olyphant, of the Delaware and Hudson Canal Company. He thought that he could arrange it, and consulted with some members of his Board in reference to it. However, I opened my plan to Mr. W. A. O'Doherty, a particular friend of Mr. James McHenry, and after a brief interview it was considered that the Atlantic and Great Western Railway parties could afford to pay more for the position than any one else. A cablegram was, therefore, forwarded to Mr. McHenry, and thus the negotiation commenced. Copies of all this cable correspondence were retained by Mr. O'Doherty, and can be furnished by him. After a little while the negotiation with Mr. McHenry seemed to halt, and I was about to carry it through with other parties. But Mr. O'Doherty was so anxious that Mr. McHenry should not let slip this opportunity of controlling the road that, at this juncture, he urged me to see Mr. Barlow. This I was exceedingly loth to do, as I felt confident that Mr. Barlow would wish to get a large fee for himself, and that he would not let me have the credit of the transaction. Finally, I consented to see Mr. Barlow with Mr. O'Doherty, and then followed several cables from Mr. Barlow to Mr. McHenry, in which I myself inserted the amount to be paid. In my preliminary conversation with Mr. Barlow, I had made it a *sine qua non* that Mr. O'Doherty and Mr. F. Graham Gardiner, both friends of mine, should have seats in the new Board, which was agreed to. Let me say here, to show how perfectly the whole thing was in my hands, that when it was subsequently found that there were objections to these gentlemen, I dictated a settlement with them by which each of them received \$25,000 for allowing their names to be

taken off the new list; so much for my power in that respect. But to return to my narrative.

Mr. Barlow urged the importance of a communication with Gen. Sickles, and I finally assented to a meeting between Mr. Henry Thompson (late Erie Director), Gen. Sickles, Mr. Barlow, and myself, at Mr. Barlow's house. Here the amounts to be paid were talked over. After this time we had various interviews, and we endeavored to have a meeting of the Executive Committee of the Erie Company, for the purpose of calling a special meeting of the Board, at which the overturn was to take place. This was found to be impracticable, as Mr. Gould was a member of that committee. The first letter sent to Mr. Gould was on the Friday before the meeting, as follows:

ERIE RAILWAY COMPANY,  
NEW YORK, March 8, A.D. 1872.

*Mr. Jay Gould, President Erie Railway Company :*

SIR:—The undersigned, Directors of this company, having witnessed with deep regret the growing distrust which pervades the community in regard to its management, deem it their duty to request you to call a meeting of the Board, with a view to the consideration of such measures and to the transaction of such business as may be deemed necessary. Prominent among the embarrassments are its finances and a general want of confidence in the credit of the company. Impressed with the responsibility which rests upon us, we regard this call for a meeting as an imperative duty, and therefore respectfully request that, in compliance with our by-laws, you convene the Board at a meeting to be held on Monday, the 11th day of March, at 12 o'clock.

Respectfully yours,

FREDERICK A. LANE.	HENRY THOMPSON.
O. H. P. ARCHER.	H. N. OTIS.
M. R. SIMONS.	GEORGE C. HALL.
JOHN HILTON.	HOMER RAMSDELL.
JUSTIN D. WHITE.	

Finding that no notice was taken of this request, on Saturday, the 9th of March, I proposed to throw off all reserve, and have the meeting called for the Monday following, at all hazards. I therefore drafted this letter, to which the assenting members signed their names, my own being signed first on the list, as on the other.

ERIE RAILWAY OFFICE,  
March 9, 1872.

*Mr. O. H. P. Archer, Vice-President Erie Railway Company :*

DEAR SIR:—The President of this company having been requested to call a meeting of the Board of Directors of the company at an early day, and not being able to communicate with him—though we have endeavored to do so—we hereby request you to issue a call for a meeting of the Directors of this company for Monday, the 11th day of March, at noon, at the office of the company in Twenty-third Street, New York.

Yours respectfully,

FREDERICK A. LANE.	HENRY THOMPSON.
O. H. P. ARCHER.	H. N. OTIS.
M. R. SIMONS.	GEORGE C. HALL.
JOHN HILTON.	HOMER RAMSDELL.
JUSTIN D. WHITE.	

Mr. Vice-President Archer then directed the Secretary to issue a call for a meeting, which was accordingly done as follows:

OFFICE ERIE RAILWAY COMPANY,  
NEW YORK, March 9, 1872.

*H. N. Otis, Esq., Secretary:*

DEAR SIR:—Having been requested by several of the Directors to call a meeting of the Board in the absence of the President, it becomes my duty to request and instruct you to that effect. You will, therefore, immediately send proper notice to the several Directors, requesting them to attend a meeting to be held on Monday next, the 11th inst., at 12 o'clock, at the office of the company, Twenty-third Street and Eighth Avenue.

Yours respectfully,

O. H. P. ARCHER, *Vice-President.*

This, of course, allowed Mr. Gould in a measure to know our plans, and I immediately took myself off to a neighboring city, lest some legal papers might be served on me, and returned to town early on Monday morning. I then went to Mr. Barlow's house to meet the incoming members of the proposed new Board, and remained there (with the exception of a short walk with Mr. O'Doherty) until a few moments before the time fixed for the meeting of the Board, when we all started for the Erie building. I arranged that I should keep a little ahead of the new members, who followed in a body, so as to be ready to take their seats as fast as they were chosen. On arriving at the Erie offices, Mr. Thompson met me and said that the building was in charge of the police, and that orders had been given to admit no one except the members of the Board and officials. I saw that prompt action was necessary, and I immediately gave orders to the ushers as follows:

"Mr. Hicks, you will go to the entrance and ask Gen. Dix to send me his card."

On the coming up of his card I said, "Say to Gen. Dix that the *counsellor of the company* will be glad to see him in the Directors' room."

I knew that an official order like this would be obeyed, and so it was, for in a few moments Gen. Dix made his appearance. I pursued the same course with the others, one after another, until all had been admitted except Mr. Chas. Day and Mr. Henry G. Stebbins, when the usher returned and said that Mr. Rucker, the General Superintendent, had given orders that no more should be admitted. I then turned to another usher and told him to obey my orders at all hazards. In a few moments both of these gentlemen came in, and I felt that the battle was won. Immediately the meeting was called to order by the Vice-President, and after the reading of the minutes of the last meeting had been dispensed with, I moved a resolution that all the attorneys and counsel of the company should be dismissed, and Messrs. Barlow, Larocque, and MacFarland be the only authorized counsel to appear for the corporation. I did this to prevent any action being brought by Messrs. Field & Shearman in the name of the company, by direction of Mr. Gould. I then moved that Gen. Dix should be elected a director in place of the deceased Col. Risk, which was carried unanimously. Then Gen. McClellan was elected to fill another vacancy. About this time a messenger appeared with a bundle of papers, and was directed to serve one of them on me. He handed me a copy of an injunction, when I demanded to see the original signature of the judge who had issued it, otherwise it would not be a legal service. The instant he opened the original to show it to me I seized that with most of the copies he had to serve on the other members and put them in my pocket. In the *mêlée* which ensued, the original injunction was torn. After I had put the papers in my pocket, we went

on with the election of the new members. The "conspirators" resigned in turn, and the new members were chosen, one after another, in their places. "Last, though not least," the author of this tendered his resignation.

Almost as soon as the meeting had been organized, as before stated, I was informed by Mr. Barlow that Mr. Gould had given orders that himself and his friends should be put out of the building. I invited them all into the Directors' room and closed the doors. In a moment we heard the advancing steps of a police captain, with about five hundred of the worst specimens of New York rowdies and vagabonds at his back. But I was not to be intimidated even by these, and told Captain Petty, the police officer, that I would hold him strictly accountable for any harm that might come, and before he could tell who had been and who had not been chosen Directors, we had all the new members elected, and he did not dare to lay hands upon them. Many of those rowdies were thoroughly armed, and if there had been any *mêlée*, I should have been singled out as being evidently the leader in the matter, and my life would, no doubt, been endangered. So great was the feeling against me that night that, by urgent solicitation of my friends, I kept away, and put myself in charge of a marshal.

After I had tendered my resignation, the Board, as reorganized, proceeded to pass a resolution removing Mr. Gould and placing Gen. Dix at the head of the company as its President. I leave it to others to tell what took place afterward. *I assert deliberately, and without fear of contradiction, that I originated the plan which was so successfully carried out, and that without my assistance it would not have been carried out at all.*

Very respectfully yours,

FREDERICK A. LANE,

*Late Counsellor of the Erie Railway Company.*

Mr. O'Doherty made this circular public in February, 1873, and it caused such excitement not only in New York City and along the line of the Erie, but throughout the entire country, as no event in the history of the railroad or Company had yet created. Not even the tumultuous and well-nigh bloody days of the Gould revolution, a year before, had been so fraught with material for public perusal as came on the heels of this astounding revelation. That money had been used to turn Gould out of the Erie management had always been believed, especially by men in the circles of finance everywhere, but up to this time there had been no positive evidence that such was the fact. Many found it almost impossible to believe the damaging statements made in the circular. But they were true. And they were the means of bringing from their long hiding place much more of strange conduct on the part of custodians of Erie, past and present, such as dwarfed every other subject then uppermost in the public mind as enthralling topics of the day. Mr. Lane

professed surprise and indignation that the circular should have been made public, and charged O'Doherty with a breach of confidence in having brought the exposition about. O'Doherty, on the contrary, declared that it had been given out not only with the full knowledge of Lane, but at his persistent solicitation.

O'Doherty had been associated with Jay Gould as Receiver of the Atlantic and Great Western Railroad Company, and had been removed as such, with Gould, through the instrumentality of S. L. M. Barlow. He retained no warm personal feeling for Barlow, but still had the confidence and esteem of James McHenry. To substantiate the statements made in Lane's circular that he "had copies of all the cable correspondence and could furnish it," O'Doherty followed the making public of the circular, and added interest and importance to this latest sensational chapter in Erie, by furnishing that correspondence. He and Lane, it seems, had agreed upon their programme February 10, 1872, and on the evening of that day the first dispatch was cabled to London.

#### THE STORY THE CABLE TOLD.

NEW YORK, *Saturday, 10th February, 1872,*  
10 o'clock P.M.

*James McHenry, Oak Lodge, Kensington, London :*

Will you lodge one and a half million dollars in a trust company here or in Philadelphia, payable only on condition that you shall nominate a majority of Erie Board, and have them elected within a week of deposit? I guarantee success, and know that your present plans will fail. Inform no one but Bischoffsheim. Answer me immediately to No. 77 Clinton Place (Eighth Street), but communicate with no one else here. If you say "Yes," a special messenger shall leave here by steamer on Wednesday.

O'DOHERTY.

General Sickles being then in this country, engaged in his quiet and entirely conventional campaign to accomplish the same end, as the duly authorized agent of James McHenry and Bischoffsheim & Goldschmidt, and George Crouch having but recently landed here on a similar errand, O'Doherty's dispatch was not only a surprise but a mystery to McHenry. He consulted with his associates in the anti-Gould movement, and it was decided that it would be well to learn more of the O'Doherty plan. Early on Monday morning, February 12th, this dispatch came from McHenry:

LONDON, Monday, 12th February, 1872.

W. Archdall O'Doherty, 77 Clinton Place (Eighth Street),  
New York:

Do you propose Gould and friends shall remain in Board?  
Reply. McHENRY.

The meaning of this was plain. Upon a satisfactory reply to it depended all hope of future negotiation. McHenry was answered the same day as follows:

No compromises to be made with any one. With majority of Board your first act may be to remove, or force, resignations of all opponents. You will find four millions in bonds, etc., in treasury, and stock will jump up. Your final decision must be made at once. Information to any one here will ruin all. Gould and friends powerless. If action is immediate, success is certain. Can you suggest cipher? O'DOHERTY.

This was an apparent deliberate throwing out of the Erie treasury as a bait. Fears that "others" might become aware of the scheme and thwart it, or come in for a division of the prospective spoils, were plainly agitating the schemers, and the answer to this last dispatch was by no means reassuring. It came on the 13th:

We require to know purpose of deposit, and how amount is to be reimbursed. Agent should come here with serious plans, and able to give explanations, and business may be done.  
McHENRY.

This was alarming. The sending of an agent abroad meant the using up of a month of time and the absence of O'Doherty from the scene of action, for Lane was *persona non grata* with McHenry and Bischoffsheim, and it would not do to entrust the delicate mission to a third party. Hence O'Doherty became positive and decisive in his tone. He replied to McHenry as follows, on even date:

You mistake plans and position of affairs. The \$1,500,000 bonus to be paid for control, and can only be got back by profit on stock. No explanations of mode of proceedings shall be asked, or will be given, as you are asked to pay nothing until you get what you want. You must decide at once, or control will pass from you forever. Others would grasp eagerly at your chance. Even if proceedings at Albany succeed, they might serve Heath and Raphael, but will ruin you. The deeper you and Bischoffsheim are committed in Atlantic, and the blacker things look, the more vital to you is the control of Erie. If you cannot trust my judgment and sincerity you had better give up negotiations. You owe it to me to be frank. Unless you answer explicitly and immediately I cannot keep offer open. I have seen Crouch.

O'DOHERTY.

He had "seen Crouch." The seeing of Crouch did not tend toward strengthening the hopes of the O'Doherty-Lane combination. Crouch had just arrived in New York from London. There was no doubt in the minds of the dickerers for the sale of Erie that he was in New York either charged with a mission of some kind by the English stockholders or with a scheme of his own for changing the control of Erie. The reply sent by McHenry to O'Doherty's long and warning dispatch was brief and bore no burden of encouragement. It also came on the 13th, and read:

Your dispatch under consideration for definite reply.  
McHENRY.

Three days passed without the definite reply from McHenry, and they were days of painful suspense to Lane and O'Doherty, and at last, when the reply came, on the evening of the 16th, its definiteness was by no means agreeable to them. It brought one of their worst fears to realization. A third party must be taken into their confidence, and that third party must be one whom they least desired to share their secret—S. L. M. Barlow. This was the reply from McHenry:

I have complete confidence in your loyalty to my interests, but my friends decline association with Gould on any terms. But for the lease of the railroad and resignation of the whole Board, or for placing property in the hands of Receiver, arranged with my agents in New York, will pay amount required.  
McHENRY.

The "lease of the railroad" meant the securing and insuring the lease of the Atlantic and Great Western Railroad to the Erie Railway Company. S. L. M. Barlow, counsel of the latter Company, was the only agent of the English syndicate with whom Lane and O'Doherty could consult in this matter, and they sought him with anything but sanguine expectations for the future of their negotiations in regard to profit. At the interview with Barlow on the 17th, before exposing their plan to him, O'Doherty, according to his own subsequent statement, but Lane, according to Barlow's declaration, said:

"I shall insist on three preliminaries from you. First, that you will not speak of the matter to anybody; second, that you will not ask any part of the

money to be made out of it; and, third, that you will not seek to reduce the amount of my compensation and that of my associates."

Barlow demurred to the second preliminary, "jokingly," he said (which was not the opinion of O'Doherty), but finally agreed to all three. Then the plan they had formed of inducing the resignation of certain Directors, as stated in Lane's circular, was revealed to Barlow. He pondered over it a day or so, and on the 19th concluded to take a hand in the negotiations. He answered McHenry's last dispatch to O'Doherty as follows:

Have seen O'Doherty. Receivership, through action of the Board, impolitic, useless. Lease now equally so. In future this may be arranged. What is offered is ten members of the present Board named by you. Immediate withdrawal of Gould's power. His resignation to be forced afterward. Lane's resignation given. Vastly important if money can be raised. No payment until majority of Board elected by you.

BARLOW.

To this McHenry responded next day, the 20th:

If McClellan is made President we may arrange it. Impossible to negotiate, leaving Gould in. MCHENRY.

The cable was kept hot all the rest of the day as follows:

Scheme entirely without knowledge of Gould. If McClellan is put in his place, with Treasurer and majority of Board, can money be put up at once, subject to payment when accomplished?

BARLOW.

Addendum—Your last chance.

O'DOHERTY.

To this the response came:

Translate your telegram to mean Gould resign with nine directors, and that we nominate ten, including President. On this basis we are ready to act, but if not inconsistent with your negotiations, would like to have Sickles's opinion.

MCHENRY.

The above message was addressed to Barlow, but it aroused O'Doherty, who answered it thus:

I will not communicate, or allow of communication, with Sickles. Day knows all.

O'DOHERTY.

Day, who "knew all," was Charles Day, who expected to be in the new Erie Directory. This utterance from O'Doherty called for conciliation on the part of McHenry, and he hastened to cable it in these agreeable words:

I have too much regard for you to communicate directly, or indirectly, with any one against your opinion. MCHENRY.

During this time, and up to the 22d of February, Barlow must have been corresponding with London on his own responsibility, for he telegraphed O'Doherty from Washington, D. C., on the latter day as follows:

London entirely confident of success. I am perfectly satisfied we can arrange to your satisfaction. Will be home tomorrow night.

BARLOW.

Then O'Doherty heard no more from London for several days. He discovered, in the meantime, that General Sickles had transferred his attention from Albany to New York, and that Crouch was suspiciously active in Erie affairs. Both were evidently on the ground by authority, and on March 3d, O'Doherty cabled these ominous words to McHenry:

Beware. Present plans will result in loss of money and disgraceful failure. Save yourself.

O'DOHERTY.

It did not seem to be exactly clear to the London negotiator as to what O'Doherty meant, and he cabled on the 4th as follows:

Further suggestions will be gladly received. MCHENRY.

In his response to this O'Doherty was firm, but cautious:

Opinion unchanged. Choice of agent and present programme ruinous. Cannot cable particulars. O'DOHERTY.

McHenry pondered on this for three days, and then cabled on the 8th:

Your advice much appreciated, but depend on you aiding Sickles's campaign, for whose success I am responsible. I arranged programme after serious survey of the whole field, and will take care of your interests.

MCHENRY.

This seemed to be satisfactory to O'Doherty, and the events of the approaching crisis and its brilliant climax were tersely recorded in the appended cable bulletins of March 9th, 10th, 11th, and 12th:

Board meeting is arranged for next Monday. By 1 o'clock on that day you shall have your wish. All now depends on how wisely you use your victory.

O'DOHERTY.

Thanks for your dispatch. You may depend on our appreciation of such momentous events.

MCHENRY.

Complete victory. Nine of your men elected: Dix, McClellan, Stebbins, Barlow, Diven, Day, Sherman, Travers, and another. Gould removed. Dix, President. Sherman, Treasurer. Barlow, Counsel. Gould shows fight. Office full of police, but Gould utterly routed. Lane, before resigning, behaved splendidly. I congratulate you. O'DOHERTY.

Thanks for brilliant victory.

McHENRY.

#### DISTRIBUTION OF THE SPOILS.

Yet for all this "brilliant victory," thus gracefully acknowledged by McHenry, when the distribution of the reward for it came O'Doherty found that the price of it all had been cut down to \$300,000 by Barlow, and that he himself had not come in for one penny of the recompense. According to a statement of Lane, O'Doherty would not have received anything at all but for his (Lane's) intervention with Barlow, who consented to a payment of \$25,000 to him, a sum no more than Lane's friend, J. Graham Gardiner, who had not appeared anywhere in the proceedings, received. This \$50,000 was paid by McHenry on the request of Barlow. The \$300,000 was distributed as follows: Frederick A. Lane and Henry Thompson, \$67,500 each; M. H. Simons, \$40,000; O. H. P. Archer, Vice-President, \$40,000; H. N. Otis, the Secretary, John Hilton, and Treasurer Justin D. White, \$25,000 each; George Crouch, \$50,000. General Sickles was paid his price out of another fund furnished by the Englishmen. Besides that payment, General Sickles put in the following bill, which was paid from the Erie Railway Company's treasury:

THE ERIE RAILWAY COMPANY,

*Dr. to Daniel E. Sickles.*

April, 1872.—For disbursements to the several individuals named below, for their services and expenses in the contest to wrest from the recent managers the control in the interest of the stockholders of the road, as follows (by resolution of the Board):

No. 1. Francis Barlow, Attorney-General, services.	\$10,000 00
No. 3. Gen. George H. Sharpe, services and expenses. ....	1,250 00
No. 4. Silas Seymour, services and expenses. ....	1,000 00
No. 5. James Thompson, services and expenses. ....	5,000 00
No. 7. John H. Parker, services and expenses. ....	2,000 00
No. 8. T. L. Nichols & Seymour, petitions. ....	1,627 00
No. 9. Messrs. Barlow, MacFarland & Larocque, services. ....	5,000 00

No. 10. Simon Stevens, services. ....	\$2,500 00
No. 11. Benjamin Field, services. ....	1,000 00
No. 12. C. P. Shaw, services and expenses. ....	1,250 00
No. 13. Thomas E. Stuart. ....	500 00
No. 14. J. H. Ramsey, for sending retainers. ....	1,800 00
No. 15. George Crouch, services. ....	1,295 00
No. 16. Hale & Hand, fees and disbursements. ....	11,500 00
No. 17. P. Willard Bullard, services. ....	1,500 00
No. 18. Wheeler H. Peckham. ....	1,000 00
No. 20. C. Day, cablegrams and expenses. ....	1,215 27
No. 21. Western Union Telegraph Co. Acct. and Sundries. ....	280 86
No. 22. United States Marshal's services. ....	350 00
No. 23. Incidentals, such as board bills. ....	3,563 96
No. 24. W. E. Chandler. ....	500 00
No. 25. C. Day, services. ....	5,000 00
No. 26. W. H. Morgan, services. ....	250 00
No. 28. John E. Kennedy, services. ....	250 00

Total. ....\$59,632 19

#### THE DRAMATIC STORY OF CROUCH'S LETTERS.

The revelations made by Lane and O'Doherty brought out another claimant for the "honor" of having originated the plan of campaign that resulted in the revolution of 1872. This was George Crouch. The following, which are copies of letters written and cablegrams sent by him to James McHenry during the anti-Gould campaign, tell his significant story, and reveal, more than any other record of the event, the true inwardness of the motives actuating the prime movers in the revolution. These documents are by far the most instructive and entertaining of all the literature of that stirring epoch in the history of Erie.

HOFFMAN HOUSE, NEW YORK, February 20, 1872.

*James McHenry, Esq., Westminster Chambers; Victoria St., London:*

DEAR SIR:—A few hours after landing, Lane was at me, offering me "any terms" if I would work with him. He "pumped" me desperately but I tired him out. Before applying to you for \$1,500,000, he sounded some of my men in the Directory, but they knew he is not to be trusted. He finally declared himself altogether hostile to Gould, and I am inclined to believe that he is willing to turn against him if satisfied that there is a good prospect of success. I hear that Gould is very anxious to see me, but I am not quite ready for him. Gen. Diven is now out of the Directory, but he is bitterly opposed to Gould. Henry Thompson and Hilton can be depended upon. Fisk's friends, Simons and Hall, would gladly see Gould overthrown. Ramsdell is firm. Sisson is dangerously ill; not expected to recover. White will obey the "powers that be." The new men, Drake and Sherwood, are under the control of Eldridge, of Elmira.

The most important man just now is Otis, the Secretary.

As I told you, his record is clean. He has protested against Gould's "irregularities" all along, and would have resigned, but his position is bread and butter to him, and he has been living in the hope of seeing the end of Gould's management.

These men are ripe for revolt, but want to be pretty certain of success before they strike. It's no use letting Barlow and Sickles waste money on the law and the Legislature.

Sickles has been absent since my return, but I learn that he has done nothing. He is taking a holiday at Niagara during the recess of the Legislature, but I have asked Day to telegraph him, and he will be here to-morrow.

Truly yours,

GEORGE CROUCH.

HOFFMAN HOUSE, NEW YORK, *February 23, 1872.*

*James McHenry, Esq.:*

DEAR SIR:—I told you when I was in London that Sickles was, in many respects, an unhappy selection as leader of your movement to obtain legislative support against Gould. Here, on the ground, my impressions are confirmed, but after seeing the General, and finding that no one was more aware of this than himself, and that consequently he has been politic enough to deny being in any way concerned in Erie matters, and, further, finding that he acknowledged that he can do little or nothing in Albany, I decided to let him into my scheme. At first he considered the thing utterly impossible, but when I named the men I had secured he was astonished and delighted.

The Legislature has adjourned until the 26th. The fate of the classification bill will be decided soon after they reassemble, but if everything works well I think Gould will be abolished first.

I have now discovered beyond doubt that Lane came to me in Gould's interest. The fact is, Lane is smart enough to realize that he has been too badly tarred by contact with Gould to expect anything from a new management, and consequently he is now making a desperate attempt to get something out of him before he is ousted. Finding Lane could not get into my confidence, Gould set other agents to work. Would like to see me at his house in the evening. I refused to put my head in his noose, however. No further evidence is needed to show that he is feeling decidedly uncomfortable. The handwriting is on the wall.

The work of undermining the Erie citadel is going on rapidly, and I am confident of bringing Gould down with a crash before long. Some of the Directors I have mentioned will be worth retaining, and Gould once gone, it will be an easy matter to weed the others out, one by one. At present it will not do to talk of making a "clean sweep," as that will free some to stand by him.

HOFFMAN HOUSE, NEW YORK, *February 28, 1872.*

*James McHenry, Esq.:*

DEAR SIR:—Since writing you last, much has been accomplished, and I am now confident of success. I am in hopes that before reading this you will have been advised by cable of Gould's removal.

Regretting that I have not time to give you details of operations, I hasten to report results. Notwithstanding the vigilance of the detectives Gould has put on my track, I have succeeded in keeping open communication with my friends in the Directory. At my last interview with Otis, he gave me the inclosed statement of the finances of the company and you may

rely on its accuracy. All information obtained which might be useful to you I have immediately communicated to Mr. Day, in order that he might cable you in cipher. Otis is now in constant communication with me, and posts me as to Gould's every move. Introduced Thompson to Sickles on Monday last, as the man selected to lead the revolt in the Board. I know Thompson thoroughly. His record in Erie is clear, and all the good men will stand by him. The General at once approved of the selection, and a satisfactory arrangement was made as to funds. Since writing last I have had an interview with Hilton. A thorough understanding resulted. I told you I could answer for him. He gave me his views of Gould twelve months ago. George C. Hall was the next to sign articles, and we now count on Simons, Ramsdell, Sisson, and White besides, making eight out of fourteen. We now calculate on electing three good men to fill existing vacancies, thus getting eleven out of seventeen. The rest will be easy. As it is, Gould dare not call a meeting. He "smells a mice," but can't ferret it out yet. As to Lane, I need say nothing. You know him as well as I do. He is of no further use to Gould, and we can use him if necessary. Consider him muzzled.

*March 10th.*

*James McHenry, Esq.:*

DEAR SIR:—Just a few hurried lines on the eve of battle. Up to this time my labors have been entirely successful, and to-morrow I am confident we shall put Gould's forces to rout. We have moved against the enemy in three columns. One, headed by Sickles, has been diverting him in the Legislature; another, under the Attorney-General, has been threatening a flank movement in the courts; and the third, under yours truly (composed principally of sappers and miners), has succeeded in undermining the very citadel of Erie. In order to cover my mining operations, I kept up an incessant bombardment through the press, as you will see by papers forwarded. To-morrow the mine will be fired, and the forlorn hope will mount the breach.

I worked night and day until I had secured a majority Directory. We now have under our flag, Hilton, Simons, Hall, Thompson, Otis, Archer, Ramsdell, Sisson, White, and Lane, making ten. On the other side are Gould, Sherwood, and Eldridge. Lane has, of course, tried to be tricky again, but Thompson is holding him by the nape of the neck and he can't wriggle away.

Yesterday our men met, headed by Ramsdell, Thompson, and Archer, and called a meeting in spite of Gould's opposition. To-morrow the first thing will be to fill the existing vacancies. That done, Hilton, Simons, Thompson, Otis, Sisson, White, and Lane will resign in turn in favor of the new men, and the first act of the new Board will be to depose Gould.

We have calculated that Gould will not stick at anything to-morrow when he finds himself doomed, but have taken all possible precautions against any mischief.

ERIE BUILDING, PRESIDENT'S OFFICE,

*March 11, 1872—11½ P.M.*

*James McHenry, Esq.:*

DEAR SIR:—I telegraphed you on the eve of the battle that success was certain. To-night I sit at Gould's desk, and have the pleasure of penning this brief dispatch on official paper. I am too tired to give you an account of to-day's fighting. You will see it in the papers. Archer and myself volunteered

to bivouac on the field, knowing that Gould would invent some new deviltry as soon as it became dark. We are holding the Eighth Avenue line from the President's office to the dining room.

The enemy holds the Twenty-third Street line. We also hold the safes and the treasury down stairs. Gould has his headquarters in the counsellor's room with Field, Shearman, Tweed, and other "glorious remnants" of the ring. About two hundred of the worst desperadoes in New York are massed against the doors we have barricaded.

Since writing the above, the enemy has attempted to break into the safes. By making a bold front with our small force we drove them off. Have sent for Sickles and Barlow for reinforcements, but two hours have elapsed since the messenger started, and we have now abandoned all hopes of aid from the outside. Gould's fellows hold all the outside doors, and we are completely isolated. Unless we hold out, Gould will sack the safes and the treasury and clear out for Jersey. Our people almost deserve to lose the fruits of the victory for their folly in not helping us to get a sufficient force to keep the field.

The new policemen have been won over by Gould, and our position is extremely unpleasant. If Gould lets his gang loose there won't be much left of us in the morning.

3 a.m.—The enemy have just crashed through Rucker's door into the President's room. We only snapped the sliding doors together and fastened them in time to prevent their sweeping clean through on us. Situation desperate, but at critical moment managed to get a parley with Gould's lawyer. Shearman finally convinced that game was up. Hostilities suspended. Shearman goes back, and Gould breaks at last—is completely unmanned, breaks into tears, and sends out to ask terms of surrender.

Daybreak.—All settled. Off to bed. "Good night."

#### CROUCH'S CABLEGRAMS.

Feb. 15.—Progressing well. Buy all you want and hold confidently.

Feb. 24.—Gould's removal inevitable.

Feb. 27.—Majority of Erie Directory with us. Gould powerless. Have loaded up in this market at thirty.

Feb. 29.—Gould completely tied. Keep secret. Every precaution taken. Failure impossible. Have you bought all you want?

March 8.—We are ready to fire the mine. Keep cool and confident.

March 10.—All satisfactorily settled. Shall get control at meeting to-morrow.

March 10.—Eve of battle. Victory certain.

March 11.—Complete victory. We are in possession. Hold for further rise.

March 18.—Situation satisfactory. Don't sell a share.

March 23.—Leaving by steamer Italy, to-day. Hold on to Erie on your side, but keep fingers on trigger. Have left orders to sell here at sixty. Gould trying to make a deal with Barlow. Barlow will bear watching.

Crouch also made an explanatory statement before the Legislative Investigating Committee of 1873, from which the following is extracted as appropriate to the story of Gould's overthrow:

I was detailed to investigate the affairs of the Gould ring, and thus made the acquaintance of Fisk and Gould. While thus engaged, I was asked by friends in England to report the state of the road, and went over both the Erie and Atlantic and Great Western roads to make an examination. I drew up a report and sent it to the stockholders in London, showing that the Gould management had greatly improved the road. Gould was much pleased with the report. Subsequently I made the acquaintance of other Directors. These Directors greatly condemned Gould, but felt bound to remain at their posts, hoping one day for a change. Fisk found out that Gould intended to get rid of him and the Directors who were in his confidence, and he was desirous of coming to terms with the English stockholders, in order to protect himself. Fisk told me that if I could come back from England with sufficient English proxies, he would cut loose from Gould. I went to London and, while there, learned of Fisk's death. The majority of the Erie Board were favorable to Fisk and against Gould, and I, therefore, consulted with the English stockholders for a change in the Directors. While I was so engaged, a modest proposition came to England from Lane and O'Doherty, the proposition being that \$1,500,000 should be placed in their hands, and the English stockholders should shut their eyes and ask no questions. The proposition was shown to me, and although the amount was absurd, I advised McHenry to keep Lane in play, or he certainly would turn over to Gould. I then started for New York. Bischoffsheim had engaged General Sickles, who said that as Tammany was overthrown, he could accomplish a great deal in Albany by his influence. I knew nothing of Sickles, and did not at first feel inclined to open my plans to him. When I arrived in New York, General Sickles was at Niagara. Some of the old Directors, who opposed Gould, agreed to resign without remuneration. Others, however, wanted recompense for the loss of contracts and positions, among whom was Simons, the manager of the Narragansett Steamship Company. Having obtained a majority of the Board for my project, I telegraphed Sickles, and met him in Mr. Day's office. Sickles said he had not communicated with England, as he had accomplished nothing, but he had been to Albany and laid his pipes. After conversing with him, I thought he would make a good figurehead to impress the doubtful Directors, and I told him that I had a mine that would upset Gould's citadel. Sickles thought the plan too good to live. Sickles made the arrangement to pay the retiring Directors, and assisted to put in the temporary Board nominated by Bischoffsheim & Co., who had furnished the money, which was distributed by Sickles and S. L. M. Barlow. The \$50,000 paid me was a bonus from the English stockholders for services rendered.

According to the tale which Crouch's bulletins to McHenry so graphically and dramatically tell, and to his statement before the Investigating Committee, Crouch would appear to be really the one who was the originator of the movement that led to the unseating of Gould and the turning over of the Erie to the new management, and that all others were simply insignificant accessories before and after the fact. But O'Doherty's explanation of the presence of Crouch would seem to warrant the inference that

Crouch was only in the affair by O'Doherty's sufferance. O'Doherty's statement, also, relegates General Sickles and S. L. M. Barlow to a position of eleventh-hour abettors, jealous of the prominence and importance of O'Doherty in the movement, thus:

#### THE NARRATIVE OF O'DOHERTY.

*(Told to the Legislative Investigating Committee of 1873.)*

Mr. McHenry had sent out a man of the name of Crouch, with a letter of introduction to me. Crouch was placed at my disposal for any operation I might recommend against Gould. Not thinking that this man was of any use to me, I introduced him to Charles Day and S. L. M. Barlow, recommending them to use him in connection with General Sickles in the lobbyist operations at Albany, which were at that time being carried on. Crouch was so employed, but having been at one time in the service of the Erie Railway Company as a sort of newspaper clerk, and having appeared at Albany in the capacity of a great Anglo-American stockholder, supporting Gould's administration, he put himself in communication with the old Directors, all of whom he knew, and through the blabbing of some of these Directors he discovered Lane's plans and heard of the intended *coup d'état*. He communicated this information to General Sickles, from whose knowledge I had carefully excluded our plans. General Sickles, naturally nettled at being kept out of our confidence, set Crouch to work to make arrangements with our Directors to give their resignations in consideration of sums to be paid by him instead of Lane. Sickles proposed the same arrangement to them that Lane had originally made. Of course it didn't matter to the Directors from whom they received the money.

The funds were in the hands of Bischoffsheim & Co. of London. We only had the promise of them. Lane was carrying the arrangement on. Sickles was carrying on the same thing, without Lane's knowledge at this time, although Sickles knew Lane's plan. On his own account, Sickles set the same negotiations afloat through Crouch. Sickles then communicated with McHenry, and after figuring up how little he could do it for, offered to accomplish the same result that I had proposed, for \$300,000 instead of \$1,500,000, which I had asked. McHenry and Bischoffsheim failed to keep their agreement with me. Sickles made known to Lane what he had heard, and told him that unless he consented to accept the smaller amount, his services would be entirely dispensed with, and the resignations would be obtained without his intervention. By these and other representations, Lane was so frightened that he agreed to accept the \$300,000, and himself put that amount in one of Barlow's telegrams.

Barlow joined McHenry and Bischoffsheim in breaking the agreement made with us. Everything was now fixed except the receipt of the money. Barlow telegraphed to have it sent on at once. The reply was an enclosure of a credit to Barlow in favor of Daniel E. Sickles. This, naturally, exasperated Barlow very much, and annoyed me so greatly, for I was then on friendly terms with Barlow, that on Sunday, March 3d, I telegraphed McHenry: "Beware! Present plans will result in loss of money and disgraceful failure! Save yourself!"

I had made up my mind to go to Jay Gould and disclose the plot to him. I was indignant at the way Bischoffsheim had treated Barlow. McHenry then telegraphed for further sug-

gestions, and on March 5th, I replied: "Opinion unchanged. Choice of agent and present plan ruinous. Cannot cable particulars." Barlow, having his own plans for revenge, took great pains to soothe my irritability, and I got Lane to go on with the plot.

After reading O'Doherty's own narrative of the part he and others played in the Erie drama of the winter of 1872, it would be difficult for any one to draw any other conclusion than that to O'Doherty belonged all the credit of its production. But Barlow contributes a chapter of personal reminiscence of the affair, and in it the name of O'Doherty does not appear at all as having been in any way concerned in its inception, progress, or consummation.

#### BARLOW'S STORY.

*(Told to the Legislative Investigating Committee of 1873.)*

Some time in February, 1872, Mr. Lane came to me and said it would not be difficult to secure the resignation of a majority of the Directors of the Erie road and the election of proper men in their places. He showed me a series of cablegrams which had passed between himself and McHenry on that subject. Before doing so he had insisted on three preliminaries—that I would not speak of the matter to anybody; that I would not ask any part of the money for myself; and that I would not seek to reduce the amount of his and his associates' compensation. I assented to the first preliminary, and the second, with a joke that I thought it was hardly fair I should engage in a thing and not have any chance to make money. But to the third I said:

"I cannot assist you in obtaining a particular sum of money in a matter of which I know nothing, and about which my opinion or judgment may be asked by my friends on the other side. I will not go out of my way, though, unless my opinion is asked, to cut your compensation down."

To this he assented, and then told me that his plan proposed the sum of \$1,500,000.

After this had been all done, and the Board had been agreed upon, and all the preliminaries to the proposed changes had been assented to, I told Mr. Lane that as General Sickles was here seeking legislation at Albany for a repeal of the Classification Act, and as I was holding relations with him as joint counsel for the foreign stockholders, I must be permitted to tell him. Lane refused to assent to this. Three or four days afterward, when General Sickles came to consult with me about the preliminary litigation, I told Mr. Lane again that unless he gave me permission to explain to General Sickles the nature of his combination, I could go no further in it. I corresponded with my friends on the other side and obtained their assent to the proposed bargain. Even the large amount demanded by Mr. Lane was not specially objected to by the stockholders on the other side, provided that we could secure the result sought. Without admitting to Mr. Lane that I could pay this large amount, I finally prepared a statement to be sent to the other side, naming the proposed new Board substantially, and leaving the amount of compensation to be put in, and that blank Mr. Lane filled up himself at \$300,000

instead of his, as I told him that unless he made this proposed change I would refuse to have anything to do with him, as it was placing me in a false position with my associate counsel. Then he authorized a statement of the facts to be made to General Sickles. This statement I made to General Sickles in the presence of Mr. Day. This was the first intimation the General had of it, and he opposed it on the ground that the legislation at Albany was certain, and that the stockholders would have, within three months, an opportunity of voting, and he preferred that means. Upon the consideration and assumption, however, that he should have the management of the movement from that time forward, and not only have the charge of it, but, I assumed, the credit of it, he consented to forego his plan in favor of this one. From that time General Sickles took an active part, in conjunction with myself, in consummating the plan. When the \$300,000 that had been agreed to be paid for the change was about to be forwarded in answer to my cable, General Sickles, as I have been informed, cabled to Mr. McHenry and asked that the money should be sent to him and not to me. McHenry cabled me to know if there was any disagreement between me and General Sickles, and I replied that there was none. Very much to my satisfaction, the final credit came to General Sickles and not to myself. It was claimed by Mr. Lane that this money was not a payment for resigning and putting others in their places, but that they having, as Directors, incurred personal responsibilities by becoming sureties on bonds, and that they anticipated serious litigation on the part of Gould, they looked upon this as rather an indemnity than a payment for resigning. Without assenting to that, and discussing it, it was agreed that the total sum of \$300,000 should be paid whenever a majority of the existing Board should resign and the nominees named by myself should be legally appointed.

The agreement was not in writing. General Sickles told me who were to receive the money and the amount to each. I agreed that I would see that the money would be paid. They preferred this rather than the assurance of General Sickles on the subject, as he was not likely to remain here a great while, or for some other reason. General Sickles transferred the credit at Duncan, Sherman & Co.'s for the \$300,000 from his name to mine. When the change was made in the Board, and Gould's resignation obtained, I disbursed the whole amount, paying \$67,500 each to Lane and Thompson; \$50,000 to Simons; \$40,000 to Archer, and \$25,000 each to Otis, White, and Hilton.

Just before this consummation, on the Saturday before, I think, Lane informed me that the agreed sum of \$300,000 was not large enough to divide with all the people he wished to indemnify, and that the whole plan would fail unless I paid O'Doherty \$50,000 and another \$50,000 to J. Graham Gardiner. I objected, but finally, to save the plan, agreed to see that these men received \$25,000 each. Gardiner had been very useful as a go-between for Lane, myself, and others. These sums were subsequently paid by Mr. McHenry on draft made by me upon him, making the total cost of the matter \$350,000—salvage, in the estimation of everybody concerned, paid by the owners of the property to secure control of it themselves, and a much cheaper way than litigation. The only other sum I ever knew to be expended by the stockholders was the amount disbursed by General Sickles, or paid him for services during the three or four months previous to the 11th of March, 1872, and \$50,000 to George Crouch.

At the election in July, 1872, it was represented on behalf of the London stockholders by Mr. McHenry, who was here, and by Mr. Homan, a large stockholder and Director, who came

from London to attend this meeting, that the total expenditures incurred by the stockholders amounted to between \$700,000 and \$800,000. This embraced a very large compensation paid to General Sickles, \$50,000 to George Crouch, and, of course, this \$350,000. The aggregate was claimed to be \$750,000, or thereabouts.

It was due to these exposures that it is possible at this late day to narrate the inner history of the "rescuing of Erie." But for them, Jay Gould would never have told of the part that was really played by the reform management with him in making it sure that their loudly proclaimed victory would not, after all, end in defeat. This is Jay Gould's story of the events succeeding the *coup* of March 11, 1872, and from it a person might not necessarily need to strain a point much to gather that the credit of unseating Gould belonged really to himself:

#### JAY GOULD'S STORY OF HIS DETHRONEMENT.

*(Told to the Legislative Investigating Committee of 1873.)*

I called a meeting of the Board for the next day, Tuesday, March 12th, inviting the members who were then legal Directors of the company. At that meeting we should have filled up all the vacancies, for I had control of the company and of the Board just as perfectly as I ever had, as they conceded themselves. After I had made this call, and that evening (11th), while the whole affairs of the company were deranged and demoralized, and when we held one side of the building by force, and they the other, Dr. Eldridge, who was a Director of the company, and a large stockholder, came to me and urged a settlement, and said, I think, that he had had a conversation with Mr. Barlow, who proposed that some of the other Directors meet with Mr. Barlow, and that he had no doubt an arrangement could be made that would be satisfactory to all sides, and he explained to me the terms, and I acquiesced in it immediately. He went back to Mr. Barlow with power from me to close the arrangement. He had a second interview with him, and then returned to me and said the matter was closed.

This "arrangement" made with Gould to effect his surrender, and place the then entirely untenable footing of the "revolutionists" on a safe ground, is shown by the following:

NEW YORK, March 14, 1872.

Jay Gould, Esq.:

DEAR SIR:—Referring to the conversation with you of this date in relation to the affairs of the Erie Company and yourself personally, I agree, on behalf of the present Board, that the following verbal agreements shall be carried out as soon as they can be done with discretion:

The proceedings of the Board and stockholders, and the release thereunder to yourself, Fisk, and Lane, shall be con-

firmed and acquiesced in by the present Board, who shall give you an additional release down to the period of your closing your connection with the company.

The advances made by you, the details of which were shown me this morning, amounting to \$94,000, shall be paid for. The joint release of the Chemung Railroad to the Northern Central Railroad Company, January 1, 1872, shall be carried out with the understanding that if the Erie Company shall elect to pay the Chemung Company the pro rata trackage instead of the amount of \$70,000, fixed in the lease or rent, it shall have the right to do so.

The lease and agreements with the Delaware and Hudson Canal Company, the Jefferson Railroad Company, and the Erie Company, for use of the Jefferson Railroad Company, etc., to be carried out.

You are to be protected in all bonds you have signed on appeal or for custom purposes for the company, and also as indorser for the company. The loans you are carrying for the company will be promptly paid.

Very respectfully,  
D. E. SICKLES.

The release mentioned in the above is as follows:

*To all whom these presents shall come or may concern,  
Greeting:*

Know all men that the Erie Railway Company, a corporation of the State of New York, for and in consideration of the sum of one dollar, lawful money of the United States of America, to it in hand paid by Jay Gould, James Fisk, Jr., and Frederick A. Lane, hath remised, released, and forever discharged, and by these presents doth, for itself, its successors and assigns, remise, release, and forever discharge the said Jay Gould, James Fisk, Jr., and Frederick A. Lane, and each of them, their and each of their heirs, executors, and administrators, of and from all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, con-

tracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law or in equity, which against the said Jay Gould, James Fisk, Jr., and Frederick A. Lane, or any one or more of them, it ever had, now has, or which its successors or assigns hereafter can, shall, or may have, for, upon, or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the thirty-first day of October, 1871.

In witness whereof, the said company hath caused these presents to be signed by a committee appointed by the Board of Directors of said company, and by the authority and order of the Directors and stockholders thereof, and its corporate seal to be herewith affixed, this thirtieth day of December, 1871.

THE ERIE RAILWAY COMPANY,

By JOHN HILTON, }  
HENRY THOMPSON, } *Committee.*

Scaled and delivered in presence of—

GEO. W. PARCHER,

MORTIMER SMITH, *Assistant Secretary.*

[L. S.]

The loans Gould claimed to be due him from the Erie amounted to between \$1,500,000 and \$2,000,000. The release was given, as above, at a time when Gould, Fisk, and Lane were expecting to be held responsible, both at civil and criminal action, for acts done in the name of the Company, and the fact that it was subsequently of no legal force or value did not speak much for the stamina or courage of the new "Reform" management in hastily recognizing and acknowledging it at the demand of the man whom they had gone to so much trouble and expense to unhorse, showing that he had virtually to unhorse himself, after all.





GENERAL JOHN A. DIX.

## CHAPTER XVII.

### ADMINISTRATION OF JOHN A. DIX—MARCH TO JULY, 1872.

McHenry, Barlow, and the Atlantic and Great Western Railroad Company the Power Behind the Throne — The Erie's Floating Debt \$5,000,000, and No Money in the Treasury — Barlow Appeals to Bischoffsheim for Aid and Gets It — The Extraordinary Contract with the London Bankers to Place the \$30,000,000 Loan — Peter H. Watson, ex-Assistant Secretary of War, Succeeds General Dix.

It was many weeks after the so-called Sickles *coup* had brought into existence the "Reform" management of Erie that Wall Street was willing to accept it as anything more than the result of a collusive scheme to which even Jay Gould himself was a party. Time and circumstances entirely disproved this suspected collusion of Gould with the revolution. There was no room for any doubt, however, as to the tangible presence of a powerful Atlantic and Great Western element in the atmosphere surrounding the new order of things in Erie. The controlling influence of the management was James McHenry, in connection with Bischoffsheim & Goldschmidt, the London bankers, and representatives of the English Shareholders' Association. His ambition was to effect a combination of the interests of the Erie Railway Company with those of the Atlantic and Great Western Railroad Company, the vicissitudes of which latter had led him into serious financial entanglement. By such a combination he hoped to use the Erie as a means of relieving himself of his burden of Atlantic and Great Western responsibilities, by passing it over to the broader shoulders of the Company he had seized from Jay Gould, although those shoulders were already so overladen with other burdens that this one would have been as the last straw that broke the patient camel's back. The Atlantic and Great Western influence had a powerful representative in S. L. M. Barlow, of the new Erie Directory. He was counsel to the Atlantic and Great Western, as well as to the Erie. General McClellan, of the Directory, was President of the Atlantic and Great Western Railroad Company. General Dix had been elected President of the Erie

Railway Company for the prestige of his name, and as an earnest of the lofty intentions that were to move the new management in restoring and rehabilitating Erie. He had been but a short time President, though, when he manifested a disposition incompatible with that of a figurehead, and insisted that he had some ideas of his own as to the future of the Company. This caused friction in the Board. Early in the term of the new administration rumor began to busy itself with coming changes in the management. It declared that General Dix was to be removed and General McClellan made President in his place. At all events, it proclaimed with firmness, "Dix must go."

September 1, 1870, the Gould management had authorized an issue of \$30,000,000 in consolidated bonds, to bear interest at 7 per cent., payable in gold, and to mature in forty years. These bonds were intended for the conversion and extinguishment of the then existing mortgage bonds and other debts of the Company. Of this loan \$18,000,000 were deposited with the Farmers' Loan and Trust Company to take up the outstanding old bonds, and, by an arrangement with J. S. Morgan & Co., of London, \$5,000,000 were deposited with that house to take up the old English or sterling loan. None of these bonds had been placed. On May 8, 1872, two months after the Dix management came in, Bischoffsheim & Goldschmidt were appointed sole financial agents of the Erie Railway Company in Europe, and a contract was made with them by the Company under which they were to place the \$30,000,000 loan. By the terms of this contract the

Company bound itself to pay these bankers a commission of 1 per cent. on the total amount of the semi-annual interest upon such bonds as they might countersign and issue; a commission of one-half of 1 per cent. on the principal of such bonds; a commission of 2½ per cent. on the nominal amount of the loan to the full extent issued to the public and paid for, or exchanged for bonds of previous issue, and a further commission of one-quarter of 1 per cent., in the same manner and times, as brokerage. The agents were also authorized to deduct from the money they might receive for the sale of bonds the amount that might be due them from the Company, principal and interest, for advances made by them. In addition to this, the Company agreed to pay such of the liens and commissions as the Farmers' Loan and Trust Company or the firm of J. S. Morgan & Co. of London might have against it, the former company having \$18,000,000 and the latter \$5,000,000 of the bonds in custody. This was the issue of bonds of which Jay Gould had purchased \$3,000,000 at 60 while he was President of the Company. After the Dix management came into power, S. L. M. Barlow took preliminary measures to recover these bonds from Gould by legal proceedings, on the ground that he had purchased them, owing to his official connection with the Company, at a figure below their market value. Discovering, on investigating the matter, that the contention would not stand, as the price paid for the bonds by Gould was as high as could have been obtained from any other purchaser at the time, and that his being President of the Company was no bar to his holding securities of the Company if properly obtained, the proceedings were discontinued.

The day the Erie was turned over to the Dix management, Justin D. White, then Treasurer of the Company, reported officially to the Board that the Company was, in round numbers, \$5,000,000 in arrears, with no money in the treasury. Of this sum, it was claimed, over \$2,000,000 were demand claims held by friends of the old Board, and money to pay them had to be raised forthwith to save the Company from bankruptcy, and the only security available was \$3,336,000 of the \$30,000,000 consoli-

dated bonds. Following is the official showing of the Company's condition:

*Floating Debt of the Erie Railway Company, March 11, 1872, as reported by the Treasurer, Justin D. White :*

Bills payable, maturing at an average of over \$700,000 per month.....	\$1,846,000 00
Loans, viz.:	
Willard, Martin & Co.....	\$619,674 56
O. H. P. Archer.....	50,000 00
W. J. O'Beirne.....	300,000 00
W. J. O'Beirne.....	125,000 00
Daniel Drew.....	300,000 00
Edwin Eldridge.....	125,000 00
Marine Bank.....	70,000 00
Pennsylvania Coal Company.....	105,000 00
Tenth National Bank.....	190,000 00
Union Steamboat Company.....	100,000 00
Duncan, Sherman & Co.....	100,000 00—
	2,084,674 56
	\$3,930,674 56
Unpaid Labor for January.....	80,000 00
Unpaid Labor for February.....	550,000 90
Supplies .....	285,000 00
Line Vouchers.....	100,000 00
Miscellaneous Vouchers.....	30,000 00
Total .....	\$4,975,674 56

*Securities of the Erie Railway Company Hypothecated.*

Jefferson Railroad Bonds.....	\$645,000 00
National Stock Yard Co. Bonds.....	410,000 00
Newburgh and New York Railroad Co. Bonds.....	150,000 00
Glenwood Coal Co. Bonds.....	50,000 00
Boston, Hartford and Erie Bonds.....	678,000 00
Consolidated Mortgage Bonds.....	3,336,000 00

*Capital, March, 1872.*

Stock .....	\$78,000,000 00
Preferred Stock.....	8,536,910 00
First Mortgage Bonds.....	\$3,000,000
Second Mortgage Bonds.....	4,000,000
Third Mortgage Bonds.....	6,000,000
Fourth Mortgage Bonds.....	4,441,000
Fifth Mortgage Bonds.....	926,500
Buffalo Branch Bonds.....	186,400
Sterling Bonds.....	5,000,000
Consolidated Mortgage Bonds.....	3,000,000
Long Dock Bonds.....	3,000,000—
	29,553,900 00
	\$116,290,810 00
Leased Roads, Capitalized.....	17,000,000 00
Floating Debt.....	4,975,674 00
Total .....	\$138,266,484 00

Whether or not the list of personal creditors in this statement showed that they were " friends of the old Board " must be a matter of opinion. At any rate, it is reasonable to suppose they wanted their money. The value of the consolidated mortgage bonds, as a means of meeting these claims, was attested by the fact that they could not be hypothecated in New York for more than fifty cents on the dollar. Barlow cabled Bischoffsheim a statement of the desperate situation the Company was face to face with, and asked for a credit of \$2,000,000 on the security of \$3,500,000 of the consolidated mortgage bonds. Bischoffsheim responded by cabling the desired credit, and the difficulty was tided over for a short time. Then a similar crisis confronted the Company, and Bischoffsheim was asked for another loan of \$2,000,000, which he cabled to the rescue of the Company.

It was for this service, which the Erie management (or rather Mr. Barlow) declared that no other house in the world would have taken the risk of doing, that the contract for placing the consolidated bonds was made with Bischoffsheim & Goldschmidt on such extremely liberal terms. The correctness of this Barlow opinion was called into serious question by others, and it became the subject of unpleasant official query a few months later.

Under the act of the New York Legislature repealing the Classification Act, which was signed by Governor John T. Hoffman April 20, 1872, an election for a new Board of Erie Directors must be held July 10, 1872. A great deal depended on the result of that election. Heath and Raphael and the American Committee of Erie stockholders held about three-eighths of the capital stock, and Bischoffsheim & Goldschmidt controlled another three-eighths. The remainder was held in Wall Street. A fierce struggle to gain possession of a majority of the outstanding two-eighths of the stock, to insure control of the coming election, began between the rival interests, and Erie once more became the all-exciting feature of the Street. This met with the pleasant approval of the bull element in Wall Street, for the scramble of the English schemers for stock had the effect of putting the price of Erie steadily higher. The indi-

vidual interests and future prospects of neither of the rival prime movers in this struggle were enhanced by this situation in Wall Street at that time, and the result was that on April 8th, Heath and Raphael, of the London Protective Association, drew out of the fight and surrendered their holding of Erie stock to Bischoffsheim & Goldschmidt. This practically destroyed all hope the opponents of the plan of reorganization and future management of the Company and road had of gaining ascendancy in the Company, and substituting their ideas of the proper way Erie affairs should be conducted. It also resulted in a significant victory for Jay Gould.

April 4, 1872, John Swan, representing the Heath and Raphael interests, had instituted proceedings, through Attorney-General Francis C. Barlow, against Jay Gould and Frederick A. Lane to recover such sums of money as they might have obtained by alleged irregular methods during their management of the Erie Railway Company. General Dix, as President of the Company, was made a party to this litigation as a matter of form. May 13th following, on motion of John Swan, this suit was discontinued by the Hon. William L. Learned, Judge of the New York Supreme Court, on payment to such defendants as had appeared the costs and disbursements in the proceedings. Jay Gould had appeared, but Lane had not. The reason assigned by Swan to the Attorney-General for discontinuing the proceeding was that his clients had made such arrangements with other stockholders as to insure proper protection of their interests in Erie, and consequently did not desire any further aid of the people of the State in the action.

As the time approached for the election it became an open secret that the Dix management was not the one that the new masters of Erie desired, and that the influences at work were not to the liking of General Dix. A section of the act repealing the Classification Act prohibited any officer or director of any other railroad company from holding a place in the Erie Direction. This prohibition stood in the way of a purpose the English controllers of the situation had in view, which was the placing of Cornelius Vanderbilt at the head of the Erie Railway Com-

pany as the successor of General Dix. They made an effort to have the objectionable section of the act repealed almost before the ink with which Governor Hoffman had signed the bill was dry. They failed in this, and sought elsewhere for a new President for Erie. General McClellan, who, being President of the Atlantic and Great Western Railroad Company, had resigned from the Erie Board, was suggested, but he seemed to prefer the place he had. The then President of the Chicago and Alton Railroad Company, T. B. Blackstone, was importuned to take the place, but he declined. Then the perennial Gen. A. S. Diven, of Elmira, was mentioned prominently, but no agreement could be reached that warranted his call to the place. As a matter to be of pleasing recollection to General Dix, James McHenry and Gilson Holman, of the Bischoffsheim & Goldschmidt combination, and S. L. M. Barlow, their leading representative in the Erie Board, requested him, by a pressing communication, to remain at the head of the Company. He replied to them that his private affairs were such that it would be impossible for him to remain.

No one seemed to care to be President of the Erie Railway Company at that time. As late as July 8th, two days before the date fixed for the election, no future President was yet in sight. At a meeting of the leaders in Erie, held on the evening of that day, the name of Peter H. Watson was suggested. The suggestion came from Commodore Vanderbilt. Mr. Watson had been Assistant Secretary of War under Secretary Stanton during the Civil War, and since then had had no little experience in the affairs of railroads. It was agreed that he would make a satisfactory President of the Erie Railway Company. He was communicated with on the subject, and consented to take the place.

One of the resolutions passed by the Board of Directors July 8, 1872, the last meeting of the Dix Board, was the following:

*Resolved*, That the Treasurer be authorized to pay \$30,000 as this company's proportion of the legal expenses of the New York Central Company at Albany, last winter, to prevent legislation affecting prejudicially the interests of this company.

The resolution was adopted unanimously, and was referred to the Executive Committee. That Com-

mittee held it for further action, and it subsequently came forward to plague the Watson administration, although it had had nothing to do with any of that administration's affairs, and, in fact, belonged to the transactions of the Gould *régime*.

The 10th of July, 1872, was an exciting and stirring day at and about Erie headquarters in the Grand Opera House. It was almost a counterpart of one of the characteristic Gould and Fisk days. Detectives, policemen, and deputy sheriffs were there by the dozen, but "Tommy" Lynch and his merry men were not among them. The rumor had gone abroad that the opposition to the new order of things in Erie was determined to make trouble of some kind at the election, and hundreds of people with recollections of entertainment they had been provided with on previous occasions of this sort at the corner of Eighth Avenue and Twenty-third Street, were there in force on that hot July day, to enjoy this expected later exhibition. But they were disappointed. The proceedings inside the Opera House were peaceful and smooth. Not one opposing voice was raised in protest against them.

At the meeting of the Board held previous to the election, resolutions of thanks to General Dix, General Diven, and others in the Board; to James McHenry for the part he took in overthrowing Jay Gould and his management; to Bischoffsheim & Goldschmidt for coming to the aid of the new management, and placing much needed funds at its disposal at a critical time; and to Edward T. Green, Gilson Holman, and W. Wetmore Cryder, American representatives of Erie in Europe, were passed, but none to Gen. Daniel E. Sickles for his part in the anti-Gould movement. Henry G. Stebbins resigned from the Board. At the ensuing election the following Board of Directors was chosen: Peter H. Watson, Gen. A. S. Diven, W. R. Travers, William Butler Duncan, Charles Day, S. L. M. Barlow, Gen. John A. Dix, J. V. L. Pruyn, Henry L. Lansing, Homer Ramsdell, William W. Shippen, E. D. Morgan, Frederick Schuchardt, S. D. Babcock, John J. Cisco, George Talbott Olyphant, John Taylor Johnston.

The new Board organized by electing Peter H.

Watson, President; Gen. A. S. Diven, Vice-President; Horatio N. Otis, Secretary, and William Watts Sherman, Treasurer.

At the election, James McHenry and other foreign parties representing stock of the Company were present, and claimed that \$750,000 in all had been expended in the ousting of Jay Gould, and that the entire amount ought to be a charge upon the Company. After the election, at a stockholders' meeting at which \$50,000,000 of stock was represented, four-fifths of it English holdings, it was voted unanimously that the Directors of the Erie Railway Company should take an early method of reimbursing all the actual expenditures incurred by the few stockholders who had brought about the change. A resolution was also passed instructing the Board of Directors to audit the account for expenditures and then pay it. The account was referred to the Executive Committee, but it was not felt by that Committee that it would be well just then to act upon it. This matter was also made subject to annoying search for more light upon it later on.

The first and only report to the stockholders made by the Dix management (July 1, 1872) was a history of but seven months of operation (from October 1st to May 1st), the act repealing the Classification Act having ordered a new election for Directors to be held on the second Tuesday of July instead of the second Tuesday of October, as theretofore. "It may be proper to remark," said the report, in some preliminary explanation, "that whatever credit or discredit may appear from the statements must attach not to the present managers, but to their predecessors in office." The earnings of the Company for the nine months, the return for June and July being partially estimated, were \$10,374,599.50, including \$295,092.66 reported earnings of the leased lines. The expenses, including \$316,530.57 for the leased lines, were \$9,801,980.93, leaving a surplus of \$572,618.57. This showed an increase in earnings over the corresponding seven months of the previous fiscal year of \$1,335,197, and a decrease in expense of \$160,593.35. There had been expended for construction \$2,189,276.40. The disbursements for interest, construction, etc., added to

the operating expenses, brought the outlay for the seven months up to \$11,991,257.35, showing a deficit of \$1,616,657.83.

"The Railroad of the Barclay Coal Company, with its furniture and equipment," the report continued, "is leased for twenty years by the Towanda Coal Company, which is operated by the Erie, this Company paying for the same an annual rental of \$30,000, and a royalty of twenty-five cents per ton for the coal. This arrangement is an advantageous one for the Company, securing as it does a supply of coal at cheap rates for the use of the locomotives. The broad-gauge track of the Cincinnati, Hamilton and Dayton Railroad Company was leased perpetually by this Company at a yearly rental of \$180,000, but this arrangement, like many others of a similar character made by the late management, entails an unnecessary and improper loss to this Company, and it can probably be terminated, the same not being valid as against this Company.

"The contracts between this Company and the Sleeping Coach Company provides that the latter shall furnish sleeping and drawing-room coaches complete, with the furniture and fixtures properly adapted to their use, and necessary attendants, and shall receive for their use four cents for each mile run, and the additional amount paid by passenger occupying the same, over and above the rates of fare charged on the regular passenger coaches of the Railway Company. The Union Car Company furnish 500 box freight cars, suitable for transportation of grain in bulk, at one cent per car per mile run, the Railway Company to keep the same in repair and guarantee a minimum monthly service of 2,500 miles per car. The Jefferson Car Company furnish the Railway Company with 1,500 four-wheeled 'dump' or coal cars, at half a cent a car per mile for carrying coal, the Railway Company to keep the same in repair and guarantee a minimum monthly service of 1,400 miles per car.

"Although something has been done in the way of reform, and measures are in progress which, if carried out, will do much more toward placing the affairs of the Company on a firmer basis, yet the existence of many contracts which involve loss to the Company is a subject of regret; some of these in all

probability can be abrogated, and others modified so as not to be so onerous in their requirements. But it is in the matter of additional facilities for increasing business, securing remunerative rates and economical operations, that the Company must more particularly look to secure satisfactory returns on their investment. The double tracking of portions of the road, the introduction of the third rail to secure narrow-gauge connections, and steel rails in place of iron for renewals, stand prominently among the needed requirements."

In the construction account of this report, signed by G. P. Morosini, Auditor, was a charge of \$842,737.72 for "legal expenses," but the Auditor added this explanatory but significant foot-note: "The propriety of putting this item in the construction account is questionable, but it was so arranged by the former administration."

The question of completing the double track and of adding a third rail to the broad-gauge track over the entire line, which was first advocated by Vice-President Diven, received serious attention in this report. April 24, 1872, the Vice-President had ordered, by direction of the Executive Committee, the making of surveys and estimates of the cost of this improvement, the necessity of which the unfortunate original adoption of the broad or six-foot gauge was then making most apparent. Vice-President Diven's plan also included the reduction of excessive grades where practicable, the substitution of iron bridges for wood, the completion of the necessary depots, increased machine shops, erection of grain elevators, and such narrow-gauge rolling stock as would be necessary for the economical transaction of the business of the road. He submitted the following as the result of the surveys and estimates:

The cost and expense of laying a "third rail," on double track and sidings between Jersey City and Buffalo will be, if of steel rails.....	\$5,551,800 00
Cost of above, if of iron rails.....	4,890,150 00
The cost and expense of laying "third rail," on double track and sidings between Hornellsville and Salamanca will be, if of steel rails..	1,161,000 00
Cost of above, if of iron rails.....	1,025,700 00
Cost and expense of laying "third rail," on single track and sidings between Salamanca and Dunkirk will be, if of steel rails.....	332,150 00
Cost of above, if of iron rails.....	294,200 00

The cost of completing double track on Delaware Division, including grading and masonry, superstructure, laying and ballasting, and iron bridges, with steel rails, will be....	\$2,297,225 00
Cost of above, if of iron rails, will be.....	2,201,015 00
The cost of completing double track on Susquehanna Division, as above, if of steel rails.	654,025 00
If of iron rails.....	602,050 00
The cost of completing double track on Western Division, Hornellsville to Salamanca, steel rails.....	1,837,914 00
Iron rails.....	1,702,614 00
The cost of completing double track on Buffalo Division, Hornellsville to Buffalo, if of steel rails.....	1,998,540 00
Iron rails.....	1,824,300 00
Steel rails.....	\$13,832,654 00
Iron rails.....	12,540,029 00
Additional buildings required...	\$1,149,000 00
Additional equipment, engines and cars.....	5,700,000 00— \$6,849,000 00
Steel rails.....	\$20,681,654 00
Iron rails.....	19,389,029 00

In recommending these improvements General Diven reported as follows, which is important now as showing the system under which the railroad's operation was conducted twenty-five years ago:

"It will be seen from the foregoing report that to complete the double track on the Delaware Division, without the third rail, will cost, if of steel, \$2,297,225; if of iron, \$2,201,015. This I regard indispensable to any increase of the business of the road. The delays incident to throwing so large a business upon a single track renders anything like regular time impossible. The freight trains are obliged constantly to take the sidings for the fast trains to make their time. No time should be lost in completing the double track.

"To complete the double track on the Susquehanna Division, without third rail, will cost, if of steel rails, \$654,025; if of iron rails, \$602,050, making the cost to complete the double track from New York to Hornellsville, if of steel rails, \$2,951,250; if of iron, \$2,803,065. As the cost of completing this double track to Hornellsville is so small, after the completion of the Delaware Division, I recommend this as very desirable. This done, and with two routes to Buffalo from Corning, and with the Salamanca and Buffalo business divided at Hornellsville,

the road could be very well worked without double tracking the rest of the road. Though I regard the double tracking from Hornellsville to Buffalo and from Hornellsville to Salamanca as important, I do not regard it as indispensable.

“ To lay third rail from Jersey City to Buffalo—on double track to Hornellsville—and track as now laid from Hornellsville, including completion of double track on Delaware and Susquehanna Divisions, will cost, if of steel, \$7,965,865; if of iron, \$7,232,865. Add to this, third rail on track as now from Hornellsville to Salamanca will make, if of steel, \$8,653,315;

if of iron, \$7,852,665. Unless the Atlantic and Great Western narrow their gauge, the third rail to Salamanca is not recommended. The double track to Hornellsville, and the third rail to Buffalo, as soon as practicable, is of unquestionable importance. As it will take about one year to do this work, no time should be lost in its prosecution.”

This was the beginning of the great change in the gauge of the railroad, a change that was not finally accomplished until years afterward. The survey and estimates for these proposed improvements were made under the direction of R. N. Brown.

## CHAPTER XVIII.

### ADMINISTRATION OF PETER H. WATSON—1872 TO 1874.

I. DARK CLOUDS WITH SILVER LINING: An Eminently Respectable Board, but No Money—The New Management's Policy one of Dividends—A Dividend Declared, which Amazes Some People—The Gould "Restitution"—How Gould Brought it About and Won Another Victory from Defeat—Details of the "Restitution." II. THE SILVER LINING GROWING LESS: Clamor that Dividend Payments were Fraudulent—Erie in the Legislature Again—President Watson Declares that the Only Thing to be Done to Save Erie is to Spend \$40,000,000 in Improvements—An Issue of Consolidated Bonds in that Amount Ordered—President Watson Goes Abroad to Borrow Money on the Bonds—Falling on Wretched Times in London. III. THE SILVER LINING DISAPPEARS: Watson a Supplicant for Aid Abroad, Barlow a Dictator of Erie Affairs at Home—Dunan, the Erie Auditor, Resigns, and Declares Publicly that the Watson Dividends were False—Dunan Denounced by the Board—Report of President Watson—He Denies the Charge—McHenry Secures a Lease of the Atlantic and Great Western on His Own Terms—Melancholy Ending of the Watson Administration.

#### I. DARK CLOUDS WITH SILVER LINING.

THERE had never been a more eminently respectable and reputable Board of Directors than the one that started in to pilot the battered bark of Erie out of troubled waters, and bring it safely into the harbor of peace and prosperity. Yet there was no indication that confidence in Erie was restored by this showing of great names. According to the statement made by the Directors on July 10, 1872, the earnings had for months exceeded the expenses more than half a million of dollars, but the disbursements were more than a million and a half in excess of the receipts. The inheritance of liabilities from the preceding management was a funded debt of more than \$30,000,000, and a stock debt of over \$86,000,000. It was well known that the treasury was empty. Something besides names representing all that was substantial and potent in the financial world was necessary to improve the condition and repute of Erie. Wall Street had ruled the Company and its affairs long and disastrously. Public confidence awaited the disclosure of what the policy of the Company was to be under its new guidance. The disclosure came in good time, and the policy was unpopular from the start. It was one of dividends—the English policy of dividing among the stockholders, annually or semi-annually, the net earnings of the road, and the pledge that whatever amounts might be required for construction or equipment

should be provided by the stockholders. A few of the Directors expressed grave doubts as to the wisdom of this policy, and apprehension that the result of it would be far from beneficial to the future of the Company; but the stockholders, a majority of whom were foreign, insisted upon it. As the management was duty-bound, to coincide with the wishes of the foreign influence, the policy was adopted, and, as subsequent developments made manifest, the necessary figuring to bring to bear such a relation of charges to earnings as would leave a balance to be divided among the stockholders began.

A radical change in the administration of the operating departments of the railroad was made by President Watson's "General Order, No. 1," on September 18, 1872. A Department of Transportation, a Department of Road, and a Department of Rolling Stock were created, over which Vice-President Diven had direct authority, with power to appoint superintendents and make rules and regulations for the operation and maintenance of the road, subject to the approval of the President. Harden D. V. Pratt was appointed Superintendent of Transportation; Robert M. Brown Superintendent of Road, and Myron T. Brown Superintendent of Rolling Stock. Robert Berdell Cable was subsequently appointed General Superintendent of Transportation, and the Superintendents of Divisions were changed as to title, and became Assistant Superintendents of Transportation.



PETER H. WATSON.



The Atlantic and Great Western influence in the new Erie management was not calculated to inspire a hopeful feeling for the future of Erie, and the knowledge that James McHenry was a much-listened-to adviser in Erie affairs gave much strength to the belief that the Erie Railroad Company might eventually become the burden-bearer for the Atlantic and Great Western Railroad Company. Toward the end of the year 1872, evidences of a determination of that influence to at last connect the Erie and the Atlantic and Great Western by closer ties were plain to all observers of the trend of Erie affairs. Rumors that a dividend was soon to be declared on Erie preferred stock had long prevailed, and when one was actually declared and paid,  $3\frac{1}{2}$  per cent. for the six months ending June 30th, Erie became an object of renewed public interest. Was the dividend earned? That was the question.

The year 1872 closed, however, with a transaction by the Watson management which it proclaimed to be a demonstration of its remarkable shrewdness and far-seeing business wisdom. A great many people regarded the transaction in the same light, and were loud in their expressions of admiration of the wonderful perspicuity of men who were capable of bringing to quick and successful culmination so momentous an issue. There were those who recognized at once the farcical character of this affair, although it is but fair to assume that President Watson and some of his Directors believed in the solemn importance of it, and that the Erie Railway Company had made a great bargain. In fact, during the part of his administration following it, the "Gould Reclamation" was ever his favorite subject of reference, as it was that of his advisers, whenever unpleasant persons wanted to know what the management had done or was doing for Erie. If ever a debt was paid with "cats and dogs," the "restitution" by Jay Gould was an instance of it.

Jay Gould's victorious downfall from the dictatorship of Erie, and his nonchalant retirement from his seat in the Directory, were to be followed by still greater triumphs of his peculiar genius. After he had ceased to be the dictator of Erie, and was shorn of the great prestige he enjoyed and the wide influ-

ence he wielded as such dictator, and especially as there were ominous rumors of the appalling fate that awaited him at such time as the new Erie managers were ready to call him to account for his shortcomings, there were men who made the mistake of judging him as one who would hesitate to call attention to himself by resorting to any bold or aggressive methods in any operation he might undertake in Wall Street, and that, consequently, he would be a proper target for shrewd speculators to hurl their shafts at and relentlessly impale. Even the wily Daniel Drew had not learned enough from his past experience with Gould to know better, and it turned out that Henry N. Smith, long time Gould's partner in the firm of Smith, Gould, Martin & Co., was led to seek profit at Gould's expense and as a matter of private vengeance. Smith had been worsted previously in a speculative bout with Daniel Drew, a little operation in which Gould was concerned with him. He was moved to blame Gould for the loss he sustained, and demanded that Gould should make it good. This was not according to the rules of Gould's procedure, and he refused to comply with Smith's demand.

"Then I'll get good and even with you before another year!" exclaimed the angry broker.

Jay Gould smiled and went his way, and the long and close friendship that had existed between him and Smith was broken there and then. Gould had then recently formed an alliance with his former foes, Augustus Schell and Horace F. Clark and others, in a bull movement in Chicago and Northwestern, although he was not at first known to be interested. Smith learned that Gould was in the movement, and he conceived the idea of operating heavily on the short side of the same stock, believing that he could catch Gould unaware, get him in a tight place, and make a million or so out of him. Smith had plenty of money and credit, and had always been a remarkably successful manipulator of the stock market. But he had reckoned without his host this time. When he thought the time had come to drive Gould into the hole he supposed had been dug for him, he found that all the Chicago and Northwestern stock in the Street had been bought up by the Gould party, and that they had a tight and impregnable

corner on it. Smith was short 40,000 shares, and Daniel Drew and William R. Travers (an Erie Director of the new school), who had also taken that side of the market, with Gould in their eyes as their victim, each found himself short 10,000 shares. Smith, as well as Drew and Travers, stood to make their contracts good at 75, and when they sought to make the turn, on the afternoon of November 20th, the stock had advanced to 100, and not a share was to be had anywhere. Even at that price, a loss of \$700,000 stared Smith in the face; but Northwestern was still booming upward.

According to all the protestations of the new Erie management since it came into power, it had been leaving no stone unturned that it could find to turn which would expose to it evidence upon which it could bring Jay Gould to justice for the wrong-doing he was charged with being guilty of while he was in control of the Company. A suit to recover from him \$10,000,000 had been entered against him, but it was discontinued for lack of evidence to sustain it. This evidence, it was believed, was contained in the books of the firm of Smith, Gould, Martin & Co., but these the Erie management had no power to examine. Well pleased and greatly exultant were the Erie people, then, as they declared, when Henry N. Smith called on President Watson and Counsel Barlow, December 21, 1872, and informed them that he would open to them the books of Smith, Gould, Martin & Co. containing true accounts of Jay Gould's Erie transactions, which would supply the missing evidence necessary to convict him of the long-pending charges. This delivery of Smith to the Erie management followed closely on an interview he had had with Gould. When he found that instead of having forced his former partner into a corner, the latter had outwitted him and held him at his mercy, Smith lost no time in seeking Gould, believing that he possessed the weapons by which he could compel Gould to release him from his desperate dilemma.

"You must let me have Northwestern," he said to Gould, "and let me have it so I can get out of this fix whole."

Gould declined to make any such arrangement, and at last Smith brought his weapons into use.

"If you don't help me out of this," said he, "I will turn over the Smith, Gould & Martin books to Barlow—and you know what that means!"

In his cool, imperturbable manner Gould replied:

"Very well. Turn them over. I have no objection."

Then it was, foiled, on the brink of financial disaster, and hot with rage, that Smith became the ally of the Erie management in its warfare against Gould. The management was quick to move on the information thus obtained.

On Friday, November 22d, the counsel for the Erie Railway Company, Messrs. Barlow, Larocque & MacFarland, obtained from Judge Fancher of the Supreme Court an order of arrest for Jay Gould, alleging a claim against him of the Erie Railway Company of \$9,726,541.26, "for moneys fraudulently appropriated by him, belonging to the Company, while acting in the joint capacity of its President and Treasurer." The complaint was sworn to by President Watson. It alleged that while acting as President of the Company Gould formed a copartnership with Henry N. Smith, Henry H. Martin, and James B. Bache, under the firm name of Smith, Gould, Martin & Co., and that through the agency of the firm he embezzled and misapplied moneys of the Company to the gross amount of \$9,726,541.26, made up as follows: "He caused to be issued and put upon the market 407,347 shares of the capital stock of the Company at the par value of \$40,734,700. In the issue of this stock Gould acted as Director. It was issued to him directly, and he converted it into cash, amounting to \$12,803,590.23, of which he received personally \$4,499,132.23. Subsequently his firm sold other Erie stock, netting the sum of \$3,061,700.15, which sum was paid to Gould, but never accounted for by him to the Company, he claiming that the Company was indebted to him, while the contrary was the fact, and that the money was applied by him to cover his losses in speculation. In November, 1868, he operated in shares of the Erie Railway Company, through his firm, and incurred a loss by decrease in market value of the shares, to relieve himself from which and put it upon the Company. He, in July, 1869, by fraud practised on the court, procured an order allowing the

Company to repurchase shares of the Company which were of doubtful validity. Under this order he purchased 121,400 shares at the average rate of 61.47 per share, amounting in all to \$7,462,458, such assumed cost being charged to the Company, and paid for out of moneys of the Company in the hands of Smith, Gould, Martin & Co., while at the time the market value of the stock was only about \$29 per share, thus causing a loss to the company of \$3,941,858. In 1869 he speculated in Reading stock to the extent of \$359,312, and lost \$168,803.69, which he fraudulently charged against the Erie Railway Company. In January, 1869, he speculated in New York Central stock and lost \$13,580.51, which he fraudulently charged to the Company. In August, 1869, he drew out of the Erie Railway Company's funds \$60,000, which he paid over to James Fisk, Jr., well knowing Fisk had no right to receive it. In October, 1868, he paid \$23,554.75 to secure his election as President, which sum he charged to the account of the Erie Railway Company. In December, 1870, he had fraudulently increased the capital stock of the Company to the extent of \$20,000,000. On January 13, 1871, a further increase of the capital stock of \$1,000,000 was made in like manner, and the stock, when issued, was taken by Jay Gould to be sold by him for the use and benefit of the Company. The market value of the stock was at that time at the rate of \$22, or thereabout, per share, and was sold by Gould for \$660,000, which he embezzled or misapplied, and did not account for."

This complaint, and the affidavit accompanying it, made by Henry N. Smith, that the accounts from the Smith, Gould & Martin books were correct, were sworn to before William A. Dunphy, Notary Public, November 22, 1872.

On these papers Judge Fancher issued the order of arrest, and Deputy Sheriff John McLaughlin, between 3 and 4 o'clock in the afternoon of Friday, November 22d, traced Gould to the office of Osborne & Chapin, at 34 Broad Street. It was denied there that Gould was in the office. The officer tried the door to the inner office and found it locked. Admission was refused him, and he was about to break down the door, when it was unlocked and Gould

came out of the room and surrendered himself. He was taken to the Sheriff's office, where Augustus Schell and Horace F. Clark qualified as his bondsmen in the amount of \$1,000,000 bail demanded by Judge Fancher, and he was immediately released.

In the meantime, Gould and his associates had maintained the corner in Northwestern. On December 21st the stock jumped by rapid stages to 200. Gould's arrest greatly excited the Street and public. Smith declared that he would never settle his contracts, but after some days he effected a compromise with his creditors by which he was relieved of his squeeze at the cost of about \$1,000,000. Drew paid \$250,000 for his last experience in trying to worst Jay Gould. Travers got out with a loss of \$300,000. Gould and his friends claimed that the Erie suit and his arrest were simply to affect stocks so that his antagonists might escape from the losses that threatened them, and manifested no uneasiness as to its outcome.

Pending further proceedings in the Erie suit against him, Gould brought about several conferences between himself and S. L. M. Barlow and President Watson. The result of these conferences was that he succeeded in convincing them that they might do a great deal better by Erie than to enter into expensive litigation with him, "of the ultimate result of which," he said, "I stand in no fear." He assured them that he and his friends controlled lines that, brought into connection with the Erie, would form a grand continuous system between New York and San Francisco, and raise the Erie Railway to the position of being without a rival in Western and transcontinental traffic. The combination, he said, consisted of the Lake Shore and Michigan Southern, the Chicago and Northwestern—the gaining of control of which had led to his arrest—the Hannibal and St. Joseph, the Chicago and Rock Island, and the Union Pacific Railroads. The only link needed was the Erie to complete the grandest scheme in the history of railroad transportation. To consummate it, and dispose of and settle the differences between him and the Erie Railway Company, he said he was willing to turn over to that Company certain properties in his possession, the further condition being that he should be permitted to purchase 200,000

shares of the Company's common stock at the new market quotation, which was about 50. These conferences resulted in the following correspondence:

NEW YORK, December 17, 1872.

DEAR SIR:—Referring to my recent conversation with you on the subject of the claims of the Erie Railway upon me, I assume that there is no longer any sufficient reason why an adjustment of all open questions, satisfactory and honorable to all parties, should not now be made. I have at all times, since my resignation as President of the Erie Company, been prepared to make conveyances to it of properties belonging to the company, to which I never made any claim. In addition to these I have held in my name both real and personal properties, which I intended for the use of the Erie Company, some of which were forced upon me to meet real exigencies in the affairs of the Erie Company during my administration, and others of which I purchased rather with the expectation of benefiting the company through business to accrue to the road than from any other motive. Upon your construction of my accounts with the company I am charged with all the moneys there expended, and the properties in question therefore belong to me. My idea is, rather, that they should go to the company, and that I should be credited with their value.

Another question, of even more importance, grows out of the state in which I am compelled to leave my account with the company. At the time of my withdrawal from the presidency I could then have explained many matters which now are involved in doubt. One account book, belonging to the company, has been mislaid since I left the Presidency. Through entries in it I could readily account for all the discrepancies which you have pointed out to me. It was kept for this purpose, and its loss is a serious embarrassment. But I am willing and prefer to meet you in a spirit that shall leave no question as to my motives and intentions.

Take your own statement and you claim \$9,086,000. The various pieces of real estate in New York, New Jersey, Pennsylvania, and Ohio, and the stocks and bonds which I mentioned in my last conversation with you, I believe you will consider worth more to the Erie Company than the total sum claimed. Some of these properties were purchased with my own means, and the company has no claim upon them, but they are necessary for its use. I now propose to convey all these properties previously mentioned, and will, in addition, convey the Grand Opera House and all adjacent properties, owned by Mr. Fisk and myself, the same to be freed by me from all mortgages, to you, on receiving a full discharge from the company.

I do this for the sake of peace, because any litigation of such questions is more annoying to me than the loss of the money involved, and because I am sincerely anxious for the success of the Erie Company, in which I have a large pecuniary interest.

Please let me know as speedily as possible whether this proposition is favorably entertained by you.

Yours truly,

JAY GOULD.

TO PETER H. WATSON, ESQ., *President Erie Railway.*

President Watson named a special committee of the Board, consisting of himself, ex-Governor E. D.

Morgan, William Butler Duncan, William R. Travers, and Samuel D. Babcock, to examine the various securities and properties included in Gould's offer, and to take his proposition into consideration. Pending the decision of this committee, he sent the following reply to Jay Gould's letter:

OFFICE OF THE ERIE RAILWAY COMPANY,

NEW YORK, December 17, 1872.

Jay Gould, Esq.:

DEAR SIR:—I have your favor of this date, the substance of which I will at once submit to the special committee of our Board having the claim against you in charge.

I cannot say what their action will be, but I am satisfied with the explanations you have made, and will cheerfully recommend a settlement on the general terms suggested by you, as I believe the best interests of the Erie Company will be thereby served, and that the properties in question are fully equivalent in value to the Erie Company to its claim against you of every character.

I will call our committee together to-morrow, and communicate their action to you, not doubting that they will consider your offer, as I do, a fair one under the circumstances, and one which, from a business point of view, should be accepted in the interests of the stockholders of the Erie Company.

Yours respectfully,

P. H. WATSON, *President.*

At a special meeting of the Board of Directors held at 10 o'clock on the morning of December 19th, the committee reported that the property might be accepted by the Company with the assurance that it was worth \$9,000,000, and that at a forced sale it would command \$6,000,000. The report was accepted by a unanimous vote of the Board, and the President was authorized to effect a settlement with Gould on his terms. That same day, and on the following day, at the office of Barlow, Larocque & MacFarland, counsel for the Erie Railway Company, Gould transferred to the Company the property referred to in his letter to President Watson of the 17th of December, and received a full discharge and release from any claim the Erie Railway Company had or might have had upon him.

The news of this event took Wall Street by surprise. On the strength of it, Erie stock rose from 52 $\frac{7}{8}$  to 57 $\frac{1}{8}$  on the 19th, and the market closed strong. Wall Street had its own private opinion as to what had prompted Gould to make "restitution," the term by which the Erie management dignified the transaction. On the score of credit and power

as a great stock operator, so Wall Street argued, Gould had recently made close alliance with such men as Horace F. Clark, Augustus Schell, and others who were, or had been, closely allied with the Vanderbilt interests (although the old Commodore publicly denied that he had any interests in Wall Street), and had made a great deal of money in a short time out of this alliance. But his continued standing with that desirable combination, as well as with the Stock Exchange, depended upon his ability to satisfy and thereby silence the pending and threatened legal proceedings against him. It was not a pleasant thing to contemplate such proceedings, said Wall Street, especially to one who was perhaps at that time more ambitious of the prestige of success in the Street than of increasing his personal wealth.

"It beats all I ever heerd!" said old Daniel Drew, in the vernacular peculiar to him. "Jest mind what I tell ye. He'll make up the best part o' them nine million they say he's turned over to the Ary by bullin' its sheers! But nine millions? Pooh!"

In conversation, after settling with the Erie, Gould said: "The settlement was made in cash, stocks, and real estate, and the proceeds will go far toward putting down a third rail, replenishing the rolling stock, and paying dividends, and will greatly sustain the credit of the road. The 200,000 shares which I purchased as the condition of this settlement will be of great value, and will at least reimburse me for the money-I have paid to the Erie corporation. I also stipulated that I should have a voice in matters pertaining to the road and be consulted in regard to its workings."

This was made publicly, and, so far as there is any record, was never denied. As to reimbursing himself by the effect the "restitution" had on the stock and his subsequent operations, even if the settlement had really cost him \$9,000,000, which it had not, nor anything like it, he could not have made a better investment.

What a spectacle, then, was that! This man, lately reviled by his successors in control of Erie, and standing charged by them, under oath and in sickening detail, before a solemn court, with robbery, embezzlement, and gross violation of a sacred

trust, and held in bonds of fabulous amount to answer the charges, which, if proved, would place him in a felon's cell, boldly and confidently dictating terms upon which he would release them from the annoyance of litigation! Terms that included virtually his rehabilitation in the good graces of the Company whose treasury he was charged with looting, and whose name and fame they affirmed he had besmirched. Was ever triumph in defeat greater than this?

The details of this settlement and the "restitution" are as follows, from the official records:

#### THE AGREEMENT WITH JAY GOULD.

*Agreement made this eighteenth day of December, in the year one thousand eight hundred and seventy-two, between the Erie Railway Company, party of the first part, and Jay Gould, party of the second part:*

WHEREAS, The said company has large claims against the said Jay Gould, some of which are now in suit, and some of which have been presented to him, but which are not in suit. And,

WHEREAS, It is proposed that a full settlement and compromise shall be made of said claims.

Now, therefore, it has been and is hereby mutually covenanted and agreed, by and between the said parties, in consideration of the premises and the sum of one dollar by each of said parties to the other duly paid, as follows:

*First.*—The complaint in the main suit against said Gould shall be amended so as to cover all the various items of claims of every nature to this date, alleged to be due to the Erie Company from said Gould, as well as all existing claims for property or stocks, and for all items appearing to be due to the Erie Company by said Gould or his co-partners hereinafter mentioned, other than James Fisk, junior, on the books of the Erie Company, or on those of Smith, Gould, Martin & Company, or of the other firms in which said Gould was or is a partner, all of which last-mentioned books are now freely open to the examination of said Company; and such complaint shall be so framed as to embrace all other accounts, claims, causes of action and demands of every nature against said Jay Gould or his said co-partners, other than the said James Fisk, junior, whether the same be or not specifically set forth, the intention of the parties being to compromise everything to this date; and said Gould, in making this present agreement, being induced thereto by the agreement that he shall be released from all such specific claims, many of which he does not admit to be just; and that he shall also be released from other large claims, which the said Company alleges may exist and may be lawfully due by him to said Company, and are not known in detail, but which by the compromise are released and abandoned by said Company.

*Second.*—Now, therefore, the said Erie Railway Company in execution of this agreement and for the consideration hereinafter mentioned and of the sum of one dollar to it in hand

paid by the said Gould, and for other good and valuable considerations, doth hereby release and forever discharge the said Jay Gould and all his co-partners in the various firms of Smith, Gould, Martin & Company, and Osborn & Chapin, Williard, Martin & Beach, Joslyn, Bach & Co., other than the said James Fisk, junior, from all accounts, claims, causes of action and demands of every nature by reason of any matter, cause or thing to the day of the date thereof, excepting, nevertheless, from the operation of this release the covenants and agreements on the part of said Gould to be kept and performed as the same is hereinafter set forth.

*Third.*—And the said Gould, in consideration as aforesaid, covenants, and agrees for himself, and his heirs, executors and administrators, to and with the said Erie Railway Company, that he will pay, assign, transfer and set over to the said Company to be held by it, as its own absolute property, on the execution hereof, the following securities and property, viz.:

Shares in the Brooks Locomotive Works, of the par value of.....	\$99,000 00
Shares of the National Stock Yard Co., of the par value of.....	186,000 00
Shares of the Erie Emigrant Company, of the par value of.....	65,000 00
Shares of the Jefferson Railroad Company, of the par value of.....	950,000 00
Shares of the New York and Pennsylvania Bluestone Co., of the par value of.....	86,000 00
Bluestone Company Bonds.....	12,000 00
Shares Glenwood Coal Company, of the par value of .....	1,000 00
Glenwood Coal Co., First Mortgage Bonds.....	124,000 00
Glenwood Coal Co., Second Mortgage Bonds.....	500,000 00
Shares Suspension Bridge Company, of the par value of.....	80,000 00
Shares Lackawanna & Susquehanna Co., of the par value of .....	40,000 00
Shares Alleghany Transportation Co., of the par value of.....	450,000 00
Shares New York & Hackensack R. R. Co., of the par value of.....	179,000 00
Shares Hackensack Extension R. R. Co., of the par value of.....	50,000 00
Shares Nyack & Northern R. R. Co., of the par value of.....	16,000 00
Shares Northern R. R. Co., of the par value of....	900 00
Shares Erie Railway preferred stock scrip.....	34,000 00
Shares Jefferson Car Company.....	178,000 00

*Fourth.*—And the said Jay Gould, in like manner, covenants and agrees to and with said Company that he will convey or cause to be conveyed to said Company, simultaneously with the delivery hereof of good and absolute conveyances in fee simple, absolute, or by assignment of leases where the title is leasehold, with proper releases of dower, and with full covenants of warranty against all heirs and incumbrances except as below, the consideration of such conveyances to be the sum of one million five hundred thousand dollars, to be credited on such claims against said Gould, all the following property in the city of New York, viz.: The Opera House and its appurtenances at the corner of Eighth Avenue and Twenty-third Street in said city, and all the houses and lots on Twenty-third and Twenty-fourth Streets adjoining or near to the same, being all the properties and real estate standing in the name of said Gould,

or of said Gould and James Fisk, junior, at the time of his decease, and including certain lots and their appurtenances near to the Hudson River on said Twenty-third Street, and including the properties in which said Gould has any right, title or interest by way of lease, contract, or otherwise. All of said estates and properties which were purchased from one ..... Pike, are to be conveyed free and cleared from mortgage, liens and incumbrances. Such of said properties as are leasehold to be transferred free from all claims and liens, including mortgages, if the same were originally purchased from said ..... Pike, but any other of said properties to be transferred, or the contracts therefor to be assigned and transferred subject to the mortgages existing thereon at the time when said Gould or said Gould and Fisk acquired title thereto, or to such portion of the original purchase money as has not been paid, but to no other liens, charges or incumbrances.

*Fifth.*—And the said Gould, in like manner for himself, his heirs, executors, and administrators, further covenants and agrees with the said Erie Railway Company that he and they will also forthwith execute and deliver, in further consideration of said release, full and absolute conveyances; in which conveyances his wife will join releasing her dower, if any, to the said Company for all and singular his right, title and interest in and to the various properties for which a suit is now pending against him, in the name and on behalf of the Erie Railway Company, or which he owns, or which stands in his name in the States of New York, Pennsylvania and Ohio, or on or near the line of the Erie Railway or its branches in the State of New Jersey, all such properties, rights or interests to be conveyed or transferred from time to time on demand on the presentation of proper transfers and conveyance to him for execution, taxes and assessments on the properties, not in the city of New York, not to be paid by the said Gould, except on the Glenwood properties which he agrees to discharge; provided, however, that this covenant to convey shall not embrace the house and its appurtenances on the Fifth Avenue now occupied by said Gould, nor the stables also occupied by him.

*Sixth.*—The interest of said Gould in the New Lisbon Coal Company and in the Ohio Coal and Mining Company, if the same was paid for out of the moneys of the Erie Railway, is hereby transferred to it, but if the same was paid out of said Gould's individual property, then the same shall be held by Samuel L. M. Barlow, to whom the same was transferred conditionally, a few months ago, the said Gould being at this time unable to determine whether the same is his own property or is held by him in trust for the Erie Company.

*Seventh.*—And the said Gould in like manner covenants to and with the Erie Railway Company that he will, as soon as practicable, cause or procure all pending suits or proceedings in bankruptcy against the Glenwood Coal Company to be discontinued, and that he will pay and cancel all the existing floating debts of the said Company, or will otherwise procure or perfect title to the Erie Railway of all its property real and personal, free from all liens or claims other than those of said Erie Railway Company, and will convey and transfer to said Glenwood Coal Company all the real estate, personal property and leases purchased for, belonging to or connected with said Glenwood Coal Company, free from all liens and claims, except as aforesaid. And the said Erie Company will consent to the discontinuance of the said bankruptcy proceedings.

*Eighth.*—The existing lease of the Opera House to the Erie Railway the said Gould agrees to cancel and procure to be can-

celled, and all other leases of the New York property herein mentioned he likewise agrees to transfer and to procure to be transferred as of this date to the Erie Railway Company.

*Ninth.*—And the said Gould further covenants and agrees, in consideration as aforesaid, with the Erie Railway Company in further consideration of said release, that he will deliver and cause to be transferred to the said Company or its assigns, one million of dollars in capital stock of the United States Express Company, at its par value, and this transfer and delivery of said stock the said Gould agrees to complete as speedily as may be practicable, and in any case within six months from the date thereof. And said Gould having made a contract by which said Express Company agreed to deliver to him an equal amount of said stock, the said Erie Railway Company agrees to render any proper assistance when and as requested, intended to facilitate the said Gould in obtaining the same, and hereafter to do no act that will prevent him from obtaining the same, and also agrees that the said Gould may, if an action for the same becomes necessary, sue the said Express Company to recover the said stock in his own name and at his own cost and charge, or may use the name of the Erie Railway, also at his own cost, for that purpose, if he be so advised.

*Tenth.*—And the said Gould hereby, in like manner, sells, assigns and transfers to the said Erie Railway Company all of his interest in the United States Towboat Company, and agrees forthwith to deliver the evidence of such interest to the said Company.

*Eleventh.*—The said Gould, by a certain contract with the Erie Railway Company, for the sale to it of three million dollars of its consolidated bonds, was to receive a credit of the actual profit realized by the Erie Railway Company on the resale of the said bonds, which profit now amounts to the sum of six hundred and fifty thousand dollars or thereabouts. Now, it is hereby agreed that such profits, whatever they may be, shall be retained by the said Erie Railway Company as its own, and without accountability therefor to said Gould, whose claims thereto, or under such contract, are hereby released.

*Twelfth.*—And the said Gould hereby releases the said Erie Railway Company from the obligation to repay certain expenditures by him heretofore made for account of said Company, and from all other claims, demands and causes of action against the said Company of every nature to this date, and hereby absolves and releases the said Company from all obligations, if any, to pay any other or further sums to him.

*Thirteenth.*—The said Gould hereby agrees to pay, on the execution hereof, the reasonable cost and counsel fees of the plaintiff's attorneys, Messrs. Barlow, Larocque and MacFarland, connected with this settlement, or growing out of pending suits.

*Fourteenth.*—The said Gould hereby agrees to pay, on the execution hereof, the claims against the Narragansett Steam Company, now in suit, hereby compromised at the sum of fifty thousand dollars; and all claims by either of said companies against the other, or growing out of the occupation of a pier by the Narragansett Company, or otherwise, arising to this date, or hereby released.

*Fifteenth.*—The aforesaid payments by said Gould of the moneys and transfers of the real and personal property above-mentioned made, and to be made, to the Erie Railway Company, in accordance with the covenants and agreements herein above set forth, and in consideration of which the Erie Railway Company executes the foregoing release, are intended to be in compromise of its claims against said Gould, as recited in the previous portions of this agreement; but in thus com-

promising and settling with said Company it is understood and agreed that nothing herein contained shall be construed as an admission by said Gould of any wrong to the said Company by him done or suffered; but on the contrary he claims that he has always been prepared and willing to make conveyances to the said Company of the principal part of the properties herein agreed to be conveyed, whenever the necessary discharges to him were properly executed. And it is understood that the remainder of said payments he now makes for the sake of peace, and to terminate annoying litigation; and it is admitted by said Company that the said Gould has offered to make conveyance to it of a considerable part of the premises now agreed to be conveyed.

In witness whereof, the said the Erie Railway Company has caused its corporate seal to be hereto affixed, and the same to be attested by its President, by order of its Board of Directors, and the said Jay Gould has hereunto set his hand and seal the day and year first above written.

.....	Attest :	ERIE RAILWAY COMPANY,
Seal of	H. N. Otis, By P. H. Watson,	
Erie Railway Co.	Secretary.	President.
.....		JAY GOULD.

An analysis of the details of this contract of the Company with Jay Gould was presented before the Investigating Committee of the New York Legislature in 1879, clause by clause, as follows:

FIRST (This clause was intended to cover the transaction in the matter of the Chemung Railroad.—*Author*).—The Chemung Railroad extends from a point on the Erie Railway, about four miles west of Elmira, to Watkins, 17¼ miles. The Elmira and Canandaigua Railroad extends from Watkins to Canandaigua 46¾ miles—a total distance of 64 miles. Capital stock Chemung Railroad, \$380,000; capital stock Elmira and Canandaigua Railroad, \$500,000—a total of \$880,000. The Erie acquired a lease of both roads, under date of January 1, 1859, at a rental of \$30,000 per year for the Chemung Railroad, and \$25,000 per year for the Elmira and Canandaigua Road, and it was stipulated in the contract for each road that, in case of failure to pay the rent of either, as provided, then the lease of both should be forfeited, the object being to enable both of the small roads to keep together, and work as a through line. February 27, 1863, the Erie Company leased the Buffalo, New York, and Erie Railroad, and transferred an interest in the lease to the Northern Central Railway Company, April 15, 1863. This partnership business in the operations of the Buffalo, New York, and Erie Railroad not working to the satisfaction of either, it was dissolved January 19, 1866, when the Erie assigned the lease of the Elmira and Canandaigua Road to the Northern Central Railway, and contracted to allow their trains to run over the Chemung Railroad. The contracts and leases were profitable to the Erie Railway Company. In 1871, Jay Gould, President of the Erie, purchased the control of the capital stock of the Chemung and Canandaigua companies, and put in his own Board of Directors. Soon afterward the Erie defaulted in the rent of the Chemung Railroad. This, of course, forfeited the lease of both roads, and placed the Northern Central Railway at the mercy of Gould for a connection as an outlet for their western business.

Gould then sold them the capital stock of both companies for \$3,000,000. The Erie Company lost control of those two roads, lost their business, and suffered large pecuniary loss, while Gould individually made more than \$2,000,000 by the transaction.

THIRD.—As regards the cost and value of the securities transferred by Gould:

*Brooks Locomotive Works, \$99,000.*—In December, 1869, Horatio G. Brooks leased from the Erie Company the repair shops at Dunkirk, and purchased all the tools and machinery in them, the tools and machinery to be paid for by credits on bills for engines, the Erie Company agreeing to purchase from him twenty-five new locomotives per annum. Brooks then formed a joint stock company, to which he sold and transferred his contracts and leases with the Erie, and received pay in the capital stock of his company—the Brooks Locomotive Works. Thus his company was floated without any cash basis, no money having been paid in. Brooks divided the capital stock around, according to previous understanding, and the \$99,000 was Gould's portion.

*Erie Emigrant Company, \$65,000.*—The Erie Land and Improvement Company was a joint stock company, formed to act as emigrant agent for the Erie Railway Company. Its capital stock was issued in payment for a contract between the Erie Company and a third party, under which the Erie Company paid large commissions for all emigrant passengers. This \$65,000 represented Gould's interest in the division of stock. It cost nothing, and had no cash basis.

*National Stock Yard Company, \$186,000.*—The National Stock Yard Company is a New Jersey corporation. Gould purchased the land for the stock yard at Weehawken (the farm formerly owned by Dudley S. Gregory) and paid for it with Erie funds. The Erie Company made the improvements in the shape of barns and pens, and then the whole was transferred to the Stock Yard Company at cost. The Erie Company was repaid in bonds of the Stock Yard Company. The capital stock of \$1,000,000, on which no payments whatever were made, was divided, and the \$186,000 was Gould's portion.

*Jefferson Railroad Company, \$1,950,000.*—The Jefferson Railroad Company, a Pennsylvania corporation, was organized in the interest of the Erie road, to construct a branch railroad from Lanesboro to Carbondale. Henry A. Fonda & Co. contracted to build the road for \$2,000,000 mortgage bonds, and \$2,000,000 capital stock, the Erie Company guaranteeing interest on the bonds. During the progress of the work (when the road was about half completed), the contractors having some difficulty in procuring funds, Gould, acting for the Erie Company, proposed to take from the contractors the remainder of their Jefferson bonds at 80 per cent., and the contractors to transfer back the capital stock (it was understood from the first that the stock had no real value). The money for the contractors was procured by the sale of Boston, Hartford, and Erie bonds to the Delaware and Hudson Canal Company. The stock was transferred to Justin D. White, and by him handed over to Gould and Fisk. The road was constructed on the proceeds of the sale of the \$2,000,000 bonds, and the contractors got rich at that. No money was ever paid on the stock.

*Bluestone Company: Stock, \$86,000; bonds, \$12,000.*—The Bluestone Company was organized without any cash capital. Its stock was issued in payment for contracts for privileges of quarrying stone in Pike County, Pennsylvania. Fifty cents per share was borrowed from the stockholders on the Company's notes for money to start with, and just prior to maturity of the notes the bonds were issued at twelve per cent. of their

par value. Gould therefore paid but \$1,144 for his \$98,000. At the time of this transfer the Bluestone Company was practically insolvent, if not already in the hands of a receiver. William M. Tweed and Hugh Smith were each given \$100,000 of the capital stock, but the city did not purchase any of their stone. The Department of Public Works wanted too large a slice from the bills of purchase, which the Bluestone Company would not agree to, considering Tweed and Smith would get enough in dividends on their stock.

Following is the story of the Bluestone Company. It is not from the records of the Investigating Committee, but from authoritative information with which the author was furnished:

Soon after the Civil War John F. Kilgour, a bluestone quarryman of Ulster County, N. Y., in company with George W. Waters, another operator in Hudson River bluestone, purchased a quarry tract in Sullivan County, near Westbrookville, in the Neversink Valley. The firm of Kilgour & Waters made money in their quarries, but in 1868 rumors that a great bluestone deposit had been discovered on the line of the Erie Railway, in Pike County, Pa., reached them, and Kilgour made a prospecting tour to the region, and finding that the rumors were more than true, he and his partner sold out their Westbrookville property to W. B. Fitch, of Kingston, and purchased 3,000 acres of land in Pike County, paying \$8,000 for the tract.

The region in which this entirely undeveloped quarry property was situated was known as the Pond Eddy country. It was wild and mountainous. The Erie Railway ran on one side of it and the Delaware and Hudson Canal on the other, a quarter of a mile distant. The rude station building of the Erie Railway at Pond Eddy, and a little hamlet in Sullivan County, across the river, were the only signs of civilization for miles around. It needed only a few days' work to demonstrate the fact that the Pond Eddy quarries were bound to be a success beyond all expectation, and in the following June Waters & Kilgour had 100 men at work. That summer the Pennsylvania Bluestone Company was organized with a large capital, and 400 men were put to work in the Pond Eddy quarries. Waters subsequently sold his interest in the tract that had cost \$8,000 for \$75,000. The new company and the large business it rapidly built up soon attracted the attention of

outside persons, among them James Fisk, Jr. Early in 1870 Fisk sent word to Kilgour that he would like to see him at the Erie offices in New York. Kilgour called, and Fisk went straight to business.

"I want an interest in those bluestone quarries," said Fisk.

Kilgour told Fisk that there was no possible way for him to obtain an interest in the business.

"Then we must freeze somebody out!" said Fisk.

Kilgour replied that such a thing was out of the question.

"You can't get in the business any way that I can see," said Kilgour.

"Then you can have no further switch or track privileges on the Erie!" exclaimed Fisk. "I'll tear your sidings out to-morrow!"

Without switching privileges at Pond Eddy the bluestone quarries would be practically worthless, but Kilgour, who was a bluff and emphatic individual, put on his hat, and shaking his fist at the Prince of Erie, thundered:

"You and your railroad can both go to hell, Mr. Fisk! You can't get your finger in my business!"

Kilgour strode out of Fisk's office, and went straight to his home in Passaic. He told his wife that Fisk had ruined him. Kilgour's manner had pleased Fisk. He sent one of his henchmen, a man named George E. Rust, to follow the irate quarry owner, and to beg of him to return and have further talk with Fisk. The bluestone operator refused to listen to any overtures, until his wife begged him to do so, and not be ruined without a struggle. He went to Fisk's office again next day, and the result of the interview was that the Pennsylvania Bluestone Company ceased to exist, and a new company under the name of the New York and Pennsylvania Bluestone Company was formed, with a capital of \$1,000,000. John F. Kilgour was made President, and miles of switches were built along the railroad at the Erie Company's expense, to accommodate the business of the new concern.

Gould, Fisk, and William M. Tweed, with Kilgour, were the principal stockholders in the company. Individual operators in bluestone had gone into the business by the score along the Erie, as it had been

discovered that the country on both sides of the river for miles was one vast bluestone quarry. These small operators were "frozen out," for no railroad privileges were given to them. The big company got control of the whole region. Soon after the new company began operations, contracts of the kind so plentiful in the days of Tweed were made with the bluestone company by Tweed, in his official capacity, for supplying New York City with stone from the Fisk-Tweed-Kilgour quarries.

Before the schemes of the combination were well afoot, however, the downfall of the Tweed Ring came. That was the first great blow to the Bluestone Company, for its contracts would have resulted in the payment of millions to it by the city. Quickly following the fall of Tweed and the Ring, came the death of Fisk. With this came the end of the New York and Pennsylvania Bluestone Company. At the time of the Gould-Watson agreement the Bluestone Company was practically insolvent, if not already in the hands of a receiver, which could readily have been ascertained by the Committee of Directors making inquiry at Port Jervis, N. Y., on the line of the railroad, where the facts were notorious.

*Glenwood Coal Company:* Shares, \$1,000,000; bonds, \$624,000.—Gould bought the coal lands with Erie funds, then organized the company, to whom he transferred the lands, receiving in payment the capital stock. The Erie Treasury was reimbursed with Glenwood Coal Company's bonds, so that no money was ever paid for the stock. The \$624,000 in bonds which Gould turned over at this time were bonds which Gould had in his possession as an officer of the Coal Company. They were not in his individual possession, as they had never been issued by the Coal Company.

*Suspension Bridge Company:* Stock, \$80,000.—The Suspension Bridge and Erie Junction Railroad Company was organized to construct a road between the points indicated by its title. Mortimer Smith contracted to build the road for \$1,000,000 in bonds, and \$500,000 in stock. Smith was merely the agent of Erie officials, who purchased the bonds at 65 per cent. of par value, and divided the stock around pro rata. The road was built on the proceeds of the bonds. Gould undoubtedly sold his bonds, which were guaranteed by the Erie Company, at a large advance.

*Allegany Transportation Company:* Stock, \$450,000.—This was a pipe line company in the Pennsylvania oil regions. Henry Harley first sold Gould an interest in his pipe line in 1868 for \$100,000. On the purchase of another line, Gould paid as his share \$12,500, and then he afterward purchased the interest of Gen. Robert B. Potter, Receiver of the Atlantic and Great Western Railroad, in the same lines for \$40,000—total payment by Gould \$152,500. On the formation of the Allegany Transportation Company, which was the corporate life of Harley's

pipe lines, on a capital stock of \$1,700,000, Gould's share of stock was \$150,000. From the contracts with the Atlantic and Great Western Railroad Company and the Erie Company, the Allegany Transportation Company was enabled to make large and frequent dividends. At the time of this transfer to the Erie Company, the stock was worth absolutely nothing.

*New York and Hackensack Railroad Company:* Stock, \$179,400.—Gould bought this stock through Robert Rannie, of Lodi, N. J. After this purchase the Erie Company purchased all the rolling stock and tools of the Hackensack Company, paying \$93,000, and Gould's dividends from it paid for this stock. The Erie then leased the Hackensack Road and furnished the rolling stock.

*Hackensack Extension Railroad Company:* Stock, \$50,000.—This railroad was built on the proceeds of the sale of bonds and then leased to the Erie Company. The stock was issued without any cash payments, and this \$50,000 was given to Gould at the time of the execution of the lease.

*Nyack and Northern Railroad:* Stock, \$16,000.—This road is an extension of the Northern Railroad of New Jersey from Piermont to Nyack, and leased to the Erie. It was built on proceeds of sale of bonds, and the stock was a gratuity, and this much was Gould's share.

*Northern Railroad Company:* Stock, \$900.—The Northern Railroad Company of New Jersey, in 1868, had an issue of capital stock of \$250,000 and mortgage bonds of \$350,000. At this time Gould and Fisk purchased a one-fourth interest in the road, and General Diven purchased a one-sixth interest. Up to this time the road had never paid a dividend. The authorized issue of stock was \$1,000,000, and the mortgage under which the bonds were issued was for \$500,000. After Gould, Fisk, and Diven acquired their interest, the Erie Company purchased all the rolling stock and machinery and tools of every kind from the Northern Railroad Company, and paid something like \$230,000 in cash. The dividends from this paid for the capital stock purchased by them. They then divided the \$150,000 of mortgage bonds and \$750,000 of capital stock, and made a contract for the Erie to furnish the rolling stock and operate the road. Under this contract they were able to pay interest on the whole \$500,000 of bonds, and a dividend of from 3 to 5 per cent. on the whole \$1,000,000 of capital stock. This paltry \$900 of stock turned over by Gould must have been intended as a blind, or it slipped in by mistake.

*Erie Railway Preferred Scrip.* \$34,000.—This scrip was Gould's proceeds from the scrip dividend declared in the winter of 1869-70.

*Jefferson Car Company:* Stock, \$178,000.—Alexander C. Radcliffe contracted with the Erie Railway Company to furnish cars for the transportation of coal for the Delaware and Hudson Canal Company from Carbondale to Buffalo and Rochester. The Jefferson Car Company was organized with a capital of one million dollars—\$200,000 of the stock to be issued for cash, and \$800,000 for the purchase of the Radcliffe contract. A subscriber to the cash stock was to receive for each share a stock paid for at par, two shares of the contract stock additional—so that he paid really but 33 per cent. for his stock. Thus \$600,000 was disposed of. One hundred thousand dollars of the contract was originally given to Gould. He afterward purchased five hundred shares (\$50,000) from one of the cash subscribers at the original cost of \$16,667, and subsequently they gave him \$28,000 more stock on the execution of another contract.

FOURTH.—The Opera House and adjoining properties were purchased with Erie funds, but not from these funds traced to Gould through Smith, Gould & Martin's books.

FIFTH.—No transfer of property was made under this clause, except such property as the Erie Company was in possession of. The deeds were taken in the name of Jay Gould, but he had executed trust deeds in each case, which has been deposited in the Erie safe.

SIXTH.—There is no doubt this interest was purchased with Erie moneys, but it would be a natural inquiry now to ascertain whether the Erie Company or Barlow has it.

EIGHTH.—Gould was willing to cancel the lease of the Opera House after the title in the property had been transferred to the Erie Company, but he did not refund any rents which the Erie had paid.

NINTH.—This one million dollars of United States Express stock never has been transferred or delivered to the Erie Company.

(Under the Presidency of H. J. Jewett, in 1874, suit was brought against Gould to compel a settlement of the claim, but it was compromised [the stock of the Express Company having declined to 45], by Gould paying the Erie the equivalent of 10,000 shares of the Express Company's stock at that price.—*Author.*)

TENTH.—Gould had \$7,500 of the stock of the Towboat Company given to him by O. H. P. Archer. This company was for the purpose of towing the freight barges between New York and Long Dock.

ELEVENTH.—Gould, Tweed, Palmer, and others took these \$3,000,000 bonds from the Erie Company at 60 per cent. On May 2, 1872, Barlow telegraphed McHenry, asking if he should purchase those bonds back again at 75, so as to have them included in a negotiation for the sale of others then going on in London. On June 4, he wrote to Homan, Green, and Cryder that they had bought the bonds. Now, why should they repurchase these bonds at a profit to Gould of 15 per cent. and agree to do all the work and take all the risk and give him all the profits on a resale? Investigation will undoubtedly show there was no such agreement, but that the bonds were bought outright at 75, and the clause was put in to apparently swell up the credits of Gould's account. It cannot be shown that he divided this \$650,000 with Palmer, Tweed, or other members of the syndicate who held the bonds, as he would have done had there been any such agreement.

FOURTEENTH.—The Narragansett Steamship Company owed the Erie Company a large amount of money—at this time Gould was President and principal owner of the Narragansett Company. He agrees to pay the claim which is compromised. Of course the amount paid is credited to the Narragansett Company to balance the account. Now, why should the same amount be again credited to Gould's individual account except to throw dust in the eyes of stupid Directors and make the alleged amount recovered from Gould appear so much larger? The whole Narragansett Steamship stock held by Gould at that time in law and equity belonged to the Erie Company.

Such was the great Gould "restitution," by which Jay Gould once more manifested his superior genius in dealing with Erie affairs!

By the withdrawal of the legal proceedings against Gould, the books of the firm of Gould, Smith, Martin & Co., that were to be used as the vital evidence that could win against Gould, of course were of no more service, and Henry N. Smith's vengeance was not accomplished. The books were returned to his custody. The cry that the Erie managers had compounded a felony in settling with Gould was raised, and alarming talk of criminal prosecution and legislative investigation prevailed after the nature of the "restitution" had been publicly discussed and weighed, and the importance of the books as evidence was declared. The books would also be of great value to others who might want to proceed against Gould for alleged irregular transactions, it was said. At any rate, in the early spring of 1874, when Erie affairs were getting seriously entangled, and certain suits against Erie and Gould were threatened, a number of mysterious and unknown men called at Smith's farm in New Jersey, when no one but a hired man was at the place, and where the books had been stored, and forcibly took possession of them and disappeared. It has never been made public in whose interest the raid on the books was made, but they have never been seen or heard from since.

## II. THE SILVER LINING GROWING LESS.

At a meeting of the Board of Directors on the 14th of January, 1873, the long-expected and rumored new issue of convertible bonds was ordered unanimously. The issue was for \$10,000,000 7 per cent. (gold) bonds. At this same meeting a special committee was appointed to consider the question of declaring a dividend on the preferred stock. William Pitt Shearman was appointed Treasurer of the Company. A contract was made with Bischoffsheim & Goldschmidt to place this loan, and by the 11th of February, \$8,000,000 of it was sold in European markets. On the same day a half yearly dividend of  $3\frac{1}{2}$  per cent. was declared on the preferred stock of the Company to January 1, 1873, and a dividend of  $1\frac{3}{4}$  per cent. on the common stock. At the meeting which declared the dividend, four of the Directors—Messrs. Olyphant, Johnston, Pruyn, and

Babcock—voted against it, mainly on the ground that the act was inexpedient while the Company was borrowing money to increase its facilities and to pay interest on its debt. The other Directors, thirteen in all, based their action upon the statements of President Watson and Auditor Dunan, without any personal knowledge of their own in relation to the profits of the Company. President Watson declared that these dividends were due to the stockholders out of the net earnings of 1872. The incredulity with which this statement was received in financial circles, and, to a large extent, by the public, was by no means flattering to the management. The positive charge was made that the profits of the Company for that year could not have equalled that sum; that the dividends were paid out of borrowed money for the purpose of strengthening the credit of the Company in Europe, to aid in the negotiation of its bonds, and in the interest of speculators in Erie stock, as well as to satisfy the clamor of small holders abroad, who had been promised dividends upon the coming into power of the new management.

The opinion that the dividends had been fraudulently declared and paid was so persistently and aggressively kept before the public that an investigation was demanded at the session of the New York Legislature of 1873, not only to ascertain the methods by which the new management had manipulated the Company's transactions to warrant the dividends, but to obtain information as to whether it was true that large and improper payments of money had been made by the foreign stockholders and officers of the Erie Railway Company in effecting the transfer of the Gould management to its successor, the leaders in the making of such transfer being the controlling influence in the Watson régime, the charge being that such payments had been made, and that the agents of the foreign stockholders had, through a corrupt contract for the negotiation of its bonds, indirectly reimbursed themselves from the Company's treasury for such expenditure. On March 11, 1873, the first anniversary of Gould's dethroning, an investigation was ordered. (Page 452, "Under the Legislative Probe.")

The Committee made its report on May 16, 1873. It declared that "it is thought but just to state that the Committee do not believe that the present officers of the Erie Railway Company have knowingly falsified statements made as taken from the books of the Company. The new Auditor claims to have found the books in a disorderly condition, and to have introduced a new system of accounts. These causes may and probably have led to the confusion and discrepancy stated."

The Committee's report declared further: "In order to fully understand the nature of the transaction, which, without authority of law, in a single day revolutionized the management of one of the leading railroad lines of this country, running the entire length of the State of New York, it will be necessary to analyze briefly the motives of some of the actors. McHenry, and Bischoffsheim & Co. of London appear most prominent as the persons claiming to represent the great body of English stockholders. There is no evidence to show that the latter permanently owned or controlled any considerable amount of stock previous to the election in July. It is in evidence that McHenry, who advanced more than one-half the sum used to buy out the Directors and for other purposes, was not a permanent holder of Erie stock and had no direct interest in the welfare of the Erie Road. So much disinterestedness is not commonly found among managers of great corporations, and the secret springs of Mr. McHenry's actions must be sought in his ownership or interest in the Atlantic and Great Western Road, a corporation representing \$109,000,000 of stock and bonded debt, and whose affairs are currently believed to be insolvent. This road has its principal connections with the Erie Railway, and is mainly dependent upon it for the through traffic passing over its track. It is fair to conclude from the testimony that McHenry's object in controlling the Erie Board was for the purpose of intimate relation between the two roads, and thus to benefit the property owned by him, viz., the Atlantic and Great Western. The present Board was approved by him, McHenry himself being present at the election. The counsellor of the Erie is also counsellor for the Atlantic and Great Western, and

has been for a number of years. However bold and ingenious the plan, or however well skilled and talented the actors, it is safe to say that but for the gold of the English stockholders the whole scheme would have met an ignominious failure, proving again the efficiency of a well-filled camp-chest in a campaign against an enemy fertile in resources and ever on the alert. Aside from the motives which inspired the policy and the actions which resulted in the overthrow of the Gould direction, the manner and the means cannot but be regarded with the severest disapprobation. And the fact that the movement was inspired, and large amounts of money were advanced by foreigners having no other than a selfish interest, and in contempt of the laws and tribunals of the State, renders this proceeding peculiarly offensive.

"In a statement of account from Bischoffsheim & Co. to the Erie Railway Company, made in January, 1873, was an item of £80,000 for expenses, as per McHenry's instructions. President Watson said that payment of this item is not yet acknowledged. The balance of the account, however, amounting to £23,168.12, was drawn for by the Treasurer of the Erie Railway Company, and no protest was made against the charge of £80,000. No demand for a statement of items was made on Bischoffsheim until after the investigation was begun."

The Committee did not think the rate of commission allowed by the Bischoffsheim contract (the one made under the Dix administration for placing the \$30,000,000 loan) was "too large, under the circumstances, upon the amount of the bonds actually negotiated, about \$7,000,000. But upon the \$23,000,000 which were to be exchanged for the same amount held by the Farmers' Loan and Trust Company, and by J. S. Morgan & Co., the rate seemed to be too high, and may have been influenced by past services rendered by Bischoffsheim & Co. in effecting the revolution. The advances made by Bischoffsheim & Co. of \$4,000,000, upon the bonds soon after the Dix Directors came in, no doubt relieved the Company from embarrassment, but they received the usual rates of interest on these advances, in addition to the commission upon the bonds as soon as sold.

"The right to reimburse the extravagant amounts corruptly employed in overthrowing the Gould direction from the treasury of the Erie Railway Company is not, in the minds of your Committee, in any way defensible except upon the principle that 'to the victors belong the spoils.' The interest of McHenry was with the Atlantic and Great Western. Bischoffsheim & Co. were large dealers in railroad securities, particularly in Erie stocks, and their principal object in the movement was to speculate upon the rise which they believed would ensue, and which did ensue, upon the change in management. It is well known that the latter, at least, made large sums in the advance which followed upon the stock of the Erie Company from about thirty to sixty-five cents on the dollar. These parties then should have looked for reimbursement out of the results which followed and which were anticipated by them.

"But by the change of administration, together with the contract with Bischoffsheim & Co., and the advances made by them, the credit of the Company was greatly improved, and, perhaps, the danger of insolvency averted. Its stock was doubled in value within a brief period, and the value of its securities increased and made available. But these were fortunate incidents following the overthrow, produced, in fact, by a belief in the integrity of the 'reform' direction, and of which fortunate results Bischoffsheim & Co. availed themselves to a large extent by previous purchase of Erie stock. The witness Horace F. Clark and others gave evidence that the expenses had of late largely increased. Auditor Dunan's statement showed a large decrease of expenses, which could hardly have been unless an undue amount had been carried to constructive account, and too little allowed for depreciation of track and equipment. Your Committee here take occasion to say that they have the fullest confidence in the ability and integrity of President Watson, and believe that he is earnestly endeavoring to promote the welfare of the great Company of which he is the head, and that the affairs of that road are being conducted by him with the sole purpose of reestablishing its credit and of economizing its revenues."

In consequence of the exposures that the investigation brought about as to their participation in what President Watson called the "pecuniary stimulus" of the Gould conspiracy, Secretary H. N. Otis, Assistant Treasurer Justin D. White, and Auditor John Hilton were suspended without pay from the service of the Company March 17, 1873, and they were never reinstated. Secretary Otis resigned April 8th following, and never recovered from the blow. He had been many years a Director and Secretary of the Company, and up to the time of the Gould overthrow, his record was above reproach. It is believed by his friends to this day that he was deceived as to the character of the plans of those who were engineering the campaign against Gould, and as to what its result was to be, and was an inconsiderate victim of that questionable transaction, rather than a willing sharer in its fruits.

The report of the Committee, while regarded by the public as an ambiguous and insufficient deliverance, was accepted and proclaimed as a vindication by the Watson management as to the matter of its honesty and fair-dealing in the matter of the dividend. The unsavory and scandalous revelations of the investigation, the management congratulated itself, were none of its affairs. They related to a previous administration, and the existing management was in no way responsible for them. The fact remained, however, that the predominant influences of the Watson management had been the prime movers in the affair, the methods of which had received the most positive condemnation of the Committee. This, to however much of probity and straightforwardness the same influences were inclined in directing the future of the Company, did not tend to strengthen confidence in the new management.

Peter H. Watson, undoubtedly, had burdened himself with the responsibilities of the Presidency of the Erie Railway Company with the fond hope that he might succeed in rehabilitating it to the proud position which was the great property's right due. In the spring of 1873 he said: "The Erie Railway is a partially complete machine. It will require over \$40,000,000 to make it complete, or \$30,000,000 in

addition to the \$10,000,000 that has recently been borrowed. And when completed, by reason of its augmented receipts, it will be able to earn dividends on the entire cost. One thing required is a double track. Another is to have the equipment doubled. The Company has 10,000 available cars, less than half enough. It needs 1,200 locomotives, and has less than one-half that number. We want 100 more sidings. There is a deficiency in stations, a deficiency in shops. We have not house-room enough to cover more than one-quarter of the locomotives. They have been standing out all winter, with watchmen employed, at large expense, to keep up fires in them to prevent them from freezing."

Early in the summer, rumors of another dividend began to circulate, and the same clamor that it could not be honestly declared arose. September 2, 1873, a meeting of the Board of Directors was held, and the creation of a \$40,000,000 second consolidated mortgage, and the negotiating of \$10,000,000 of the bonds to issue under that mortgage, were agreed upon. At this meeting Lucius Robinson, subsequently Governor of New York State, was elected Vice-President to succeed Gen. A. S. Diven, who had resigned the previous March. President Watson was granted leave of absence to go to Europe on official business of the Company, which was to impress the stockholders and investors there with the importance of his views on the necessity of large expenditure in bringing the railroad to a proper condition to do the traffic it was entitled to and would obtain with sufficient facilities, and to negotiate the loan for that purpose.

In a report made by President Watson to the Board at this meeting he strongly commended the policy which had been adopted with a view rather to future than to present dividends. This was to expend upward of \$40,000,000 of additional capital in double-tracking the road and supplying it with steel rails, narrowing its gauge, perfecting its road-bed, providing it with sufficient rolling stock and motive power, with grain elevators, coal chutes, and other depot and terminal facilities, and extending its branches into the anthracite and bituminous coal fields; "purchasing sufficient coal lands to prevent

any hostile combination from diverting the coal trade from the Erie; establishing its connection through the New York, Boston and Montreal, and the New York and New England railroads, with the great manufacturing districts of New England and their chief seaport, Boston, and with the Eastern railway lines which connect with those of the Maritime British Provinces of New Brunswick and Nova Scotia, which terminate eastward of Halifax, the nearest seaport of this continent to Europe, and the point at which multitudes of passengers for Europe, who desire to make their ocean voyage the shortest possible, will, at no distant day, embark and disembark. While establishing these connections eastward, its alliances westward would be perfected so as to carry it practically to Cincinnati, St. Louis, and Chicago, the three great gateways and depots of the Southwest, the West, and the Northwest."

The Lake Shore and Michigan Southern Railroad had recently been leased by the New York Central, thus giving one of the theretofore most important and valuable Erie connections to the absolute control of the Erie's great and progressive rival. This was the more disappointing to President Watson as, in association with his proposed narrow-gauging of the Erie, he had fondly hoped to secure for his Company the same control of the Lake Shore that the Central obtained. There was nothing left, therefore, but to use every means to make satisfactory and mutually profitable arrangements with the Atlantic and Great Western Railroad Company for interchange of traffic, and securing the Cleveland, Columbus, Cincinnati and Indianapolis Railroad and its branches and connecting lines as part of the Erie and Atlantic and Great Western system. How this might best be accomplished President Watson left until his return from Europe for further consideration. When he returned from Europe, however, he found his hands and head full of other things affecting so closely his immediate management of Erie that the further development of his plans of extension could find no room there, and found room there never again.

"In accordance with the reports of the General Auditor herewith submitted," said Mr. Watson in his report, "I recommend the declaration of a divi-

dend of  $3\frac{1}{2}$  per cent. upon the par value of the preferred stock, and 1 per cent. upon the common stock of the Company, to be paid out of the net earnings. The amount suggested as a dividend upon the common stock might perhaps be a little increased, but I prefer to keep clearly within the limits of the present actual earnings, trusting soon to show an increase that will warrant a larger distribution among the stockholders. The net earnings since June 30, 1873, are more than sufficient to pay this and the dividend of  $3\frac{1}{2}$  per cent. on the preferred stock."

President Watson sailed for Europe. He had scarcely landed in London before the news of the great crisis that had suddenly confronted the financial situation in the United States reached there. Banks, trust companies, commercial houses, and brokers were failing almost hourly. Business in the stock exchanges was suspended. General financial and business paralysis seemed to have stricken the country. Erie shares, and all American securities, declined disastrously in the London market. President Watson had chosen an unfortunate time to place an American security among English investors, especially an obligation of Erie, which corporation time and circumstance had not exalted in the estimation of capitalists either at home or abroad. The Erie President went boldly and confidently to work, however, biding his time and improving his opportunity. The end of the year came. He had not yet reestablished London confidence in the prospects of Erie.

### III. THE SILVER LINING DISAPPEARS.

The year 1874 opened with no very encouraging outlook for the Erie, if the signs of the time could be rightly read, and before many weeks passed it was plain that the signs had not failed. President Watson was still in Europe pleading for money. Although the second dividend had been declared and paid, and the report of the Company's condition and prospects at the end of the fiscal year of 1873 was encouraging in the extreme, many employees of the Company at the end of March, 1874, had but recently received their pay for January, and were anxiously awaiting their February dues, not taking into

account the wages for March already earned; and the month closed with a strike of employees that greatly interfered with the business of the road for a fortnight or more, and at last had to be suppressed by the aid of the military. The belief that the dividends had not been earned by the Company gained strength daily. It was openly declared that the money President Watson had gone to Europe to borrow was necessary to keep the Company out of bankruptcy. The predominance of S. L. M. Barlow in the direction of Erie affairs had made many enemies. At the last election he had voted on \$40,000,000 worth of stock—400,000 shares, or more than half of the common capital stock. This demonstrated that he was entirely in the confidence of the English syndicate or combination, and enabled him to become as dictatorial in the management as he might please, and he was a man well constructed to enjoy being a dictator.

Unfortunately for the future of the Watson management, Director Barlow—who was also the head of the Company's legal department—in the course of the enforcement of his views as to the policy of the Company, made an enemy of Col. S. H. Dunan, the General Auditor. Colonel Dunan had come into the service of the Erie from the Baltimore and Ohio Railroad Company. He had been for several years the head of the accounting department of that company, and was acknowledged to be foremost among expert and conscientious railway accountants. He was permitted to leave the service of the Baltimore company by President Garrett and accept the offer made him by the Erie Railway Company, at the personal request and urgent appeal of President Watson himself, who vouched for his strictest integrity and unimpeachable character. Auditor Dunan was himself a stern man, stubborn in the discharge of his duty as he saw it, and impatient of dictation. Between two such positive characters as Barlow and Dunan friction was inevitable. It came at last, and the result was the uncovering of still another unpleasant chapter in the secret history of Erie, from the effects of which the Watson management never recovered. This uncovering began with the resignation, on March 11, 1874, of Auditor Dunan from the service of the Company. This was followed by

his publication of a report made by him to the Board of Directors, which, in circumstantial detail, declared that the annual report of the Company to the State Engineer for the fiscal year of 1873 was a false statement, and was known to be so by President Watson when it was made; that the floating debt, instead of being less than \$3,000,000, as according to the sworn report, was really \$7,000,000; that the accounts had been manipulated to make the necessary showing that the dividends had been paid out of earnings, when in fact they had been borrowed from the capital; that there was scarcely a dollar in the treasury, and that the Company was actually bankrupt.

That the Erie dividends had not been earned had long been general belief, but such confirmation of it as this positive declaration, made by one than whom no man living should know more of the financial condition of the Company, was not to have been expected.

President Watson was still in Europe, and had not been successful yet in securing the money he had gone thither to borrow. Lucius Robinson was acting President. The Erie management and its friends charged that Dunan had formed a coalition with Jay Gould and others inimical to Erie in a bear raid on the stock, and had resigned his office and made the damaging declaration of the dishonesty of the Erie annual report to aid in carrying the stock-jobbing scheme to success. Dunan's statement was denounced as false. The report had been completed on March 3d, while he was yet Auditor, and was made, he said, to set himself right, before resigning, for having consented to the signing of the misleading report that had gone forth as the Company's official statement the previous January.

On March 12th the Board of Erie Directors held a meeting, denounced Dunan by official resolution as a stock-jobber, falsifier, and traitor; declared its entire and continued confidence in President Watson, and appointed a Committee consisting of John Taylor Johnston, Cortlandt Parker, Frederick Schuchardt, George H. Brown, and Herman R. Baltzer, to examine and report forthwith the floating debt of the Company, and all the accounts of the Company from the date of its reorganization under General Dix. The Committee made its report March 20th.

It stated that the floating debt on March 13th, for which money was really necessary to be provided, was \$2,858,539.37, although there were items that might be construed as obligations, not properly so, which would increase the amount to \$5,352,375.02, instead of \$7,000,000; and said it had found the ex-Auditor's statements of entries to be correct, but that the conclusions drawn from them were erroneous.

In replying to the Committee, Colonel Dunan made the statement that they "had only included in their report that which was either audited or in process of being audited and passed upon, excluding all the numerous claims which had not at the date been presented to the Company, and those which were presented, and upon which there are some disputed points—nevertheless, they be debts. For instance, the accounts of the Union and Jefferson Car Companies, and the balance due for the rental of the Erie and Suspension Bridge Railroad, payment upon which has been deferred for a year and a half; the balances due upon the purchase of coal lands; the amount due upon the guarantee of the Boston, Hartford and Erie Railroad bonds; the numerous cases in litigation in New York and other States, many of which will inevitably be decided against the Company; the unadjusted claims for drawbacks and overcharges in freight and passengers; the revenue on which has been earned and paid in, and which has for some months amounted to an average of \$90,000 per month; the accrued accounts for the purchase of supplies and for labor to the 13th inst., all these and many not enumerated, amounting to as they do several millions of dollars, have evidently been omitted from the Committee's statement."

As the Committee had reported that it had decided to postpone a full report on Dunan's statements until the return of President Watson, no reply was made to his comments on their statements, and it is well to say that no reply was ever made by the Committee.

The denunciation of and charges made against ex-Auditor Dunan by the Erie management and its friends, no matter what of justice or truth might have attended them, simply served to lead the way for further and more damaging revelations than those

made in Dunan's official report of March. Under date of April 7, 1874, in an open letter to President Watson—who was then on his way home from England, he having at last succeeded in securing a loan—Colonel Dunan told the story of how the funds were got by which the dividends of 1873 were paid. "On July 1, 1873," he charged, "President Watson knew there was a large deficiency in the earnings of the Company, as compared with the expenses. That fact must either be suppressed or the President must admit his management to be a disastrous failure. In no way could the knowledge be kept secret except by a falsification of the accounts." Auditor Dunan was willing to consent to "modifications" being made in the profit and loss account sufficient to give the earnings the appearance of equalling the expenditures for operations, provided that no dividend should be declared, none having been earned. President Watson assured him that no dividend would be declared, "and the modifications in the profit and loss account were made. This resulted in the showing of a balance to credit of income account of \$1,700,000, leaving the Company about square in its operations from October 1, 1872, to June 30, 1873."

"You will remember that on the morning of August 27th, the day before the Board meeting," Dunan wrote to Watson, "I met you with Mr. Barlow, at your rooms by appointment. Mr. Barlow was decided in his opinion of the policy of declaring a dividend, and that the accounts should be made to show that one had been declared. You will do me the justice to say how strenuously I opposed any further tampering with the accounts, and how earnestly I urged that if a dividend must be made, that it be made out of the surplus which remained over in the previous years. The question of extra reparation which had been advanced as a plea for the extravagant expenditures in working the road, was taken into consideration. I suggested that if there was anything in it, it was just as well to declare the dividend out of the old surplus as it was to alter the accounts, and that I had no accounts to show for any extra reparation. You will recall what followed. I was sent from your room to await a conference between yourself and Mr. Barlow. The conference

ended; you sent for Mr. Clarke, the Third Vice-President, and Mr. Tyson, the Fourth Vice-President. I left for my office. Their visit resulted in the production of the letters on which you formed the basis of the entries which took from the expenses \$1,123,000. This gave the amount desired for the dividend of \$780,000 on the common stock, and \$300,000 on the preferred. You approved their reports, and I was directed to see that the accounts were made to conform. This act was committed on the 28th day of August, 1873, and its consequences were made to appear in the accounts for June 30, 1873, long after the accounts for that period were closed and balanced off."

In his further reorganization of the operating departments of the railroad service, President Watson had created early in 1873 the offices of Second, Third, and Fourth Vice-Presidents. James C. Clarke, who had been in the service of the Baltimore and Ohio, the Illinois Central, and other railroads, was appointed Third Vice-President, in the charge of the Departments of Road and Transportation, on May 1, 1873. Henry Tyson was made Fourth Vice-President, in charge of the Department of Motive Power and Machinery, in August. The reports ex-Auditor Dunan referred to as having been made to President Watson were in the form of letters addressed to the President that, as to Clarke's Department, "the expenditure for repairs and renewals during the nine months ending June 30, 1873, was \$719,600 more than would have been needed to prevent deterioration, if the property had been fully maintained during former years"; and as to Tyson's Department, that "the expenditure due to reinstating motive power and rolling stock for the same period was in excess of the amount justly chargeable to repairs and renewals for maintenance," the excess being placed at \$404,304.23. These reports were approved by President Watson, and the two amounts, making a total of \$1,123,904, were transferred from the expense account to the capital account, and became the fund from which the 1873 dividends were paid on the common and preferred stock.

In dealing with these letters Dunan, writing later, in answer to President Watson's report to the Directors in reply to his statements, said:

This large sum of \$1,000,000 was transferred from the current expense account upon no better authority than the mere opinions of two officers who were not in a position which enabled them to form any intelligent opinion on the subject. Mr. Clarke had been in the employment of the company but a few months, and had never gone over the road before the month of March, 1873, while Mr. Tyson did not enter its service until after the period referred to in his letter. Neither of them called upon any of their subordinates or associates for information upon the subject of these repairs, nor prepared, nor was furnished with, any statement showing the actual amount of work done in detail, so that neither of them, when he made up his estimate, knew, or had means of knowing, the circumstances leading to the alleged increase in expenditure, nor could either of them have given any satisfactory explanation, on the next day after writing these two letters, of the reasons which led him to set down the precise figures given in these letters. Indeed, their original letters did not pretend to give the figures in the detail presented by the letters as given to the public. Mr. Clarke wrote that he estimated the proportion of increased expenditure, which should not be charged to the current expenses of the year, at 28 per cent. of the whole expenditure, and Mr. Tyson stated that he estimated the like amount in his department at 26 per cent. of the whole.

Neither of them stated, either in writing or verbally, any reason which had led them to form this estimate of percentage; but the fact was that they were informed by Mr. Watson that between them they must take off the sum of \$1,100,000 from the expenses of their departments, and provide an excuse for charging that amount to capital, this being the amount of two dividends which it was desired to pay, being 26 and 28 per cent. of the whole amount of expenditure in their departments. But the letters in this shape were not satisfactory to Mr. Watson, who, in his own handwriting, altered them by striking out the statement of a percentage and putting in the account and figures which he desired to take from the several departments. The letters were then completed on this basis, and the estimate of amounts properly chargeable to capital, which was taken by Messrs. Clarke and Tyson, who knew very little about the affairs of their departments in the past, to which they referred, was completed by Mr. Watson, who knew still less of these details.

Proceeding with his open letter to President Watson, Dunan wrote as follows about this transaction:

What followed the falsification done in August was necessary to be consistent with that act. The accounts had been made to show a surplus of earnings over expenses; it was requisite, therefore, that in all future statements and accounts which were made up, the fact should nowhere appear that we had drawn upon our capital accounts for the means of running the road. Every successive statement must of necessity contain a reiteration of the lie. Over \$3,300,000 were used of the proceeds of convertible bonds to pay dividends and work the road in one year. But as we had stated that these amounts had been paid from the surplus earnings, a falsehood had to be again uttered when we came to make up the statement showing the disposition of this fund. You (Watson) had been at the head of the management over a year, and had been but recently elected. Before you were the accounts which showed most disastrous and deplorable results in the operation of the road. While the earnings had largely increased, the working expenses had disproportionately swollen to an amount unpre-

cedented in the affairs of any road. You were on the eve of sailing for Europe. To publish to the world the result before you was simply to abandon the contemplated trip, admit the failure of your administration, and disappoint the hopeful anticipations of the public and the proprietors of the railway. I saw that you hesitated which horn to accept. There were the facts and the figures before you, and there seemed no way out of the difficulty but a frank acknowledgment that it was a bad job. Behind you, as it were, appeared the great dictator (Barlow) in attitudes of authority, intimidation, and threat. No failure must be acknowledged. Not only must success be published to the world, but it must be a grand success, and the accounts must be made to show it. The alternative was, "No dividends—no money." Fulsome dispatches had been sent to London during the year indicative of the grandest success that had ever attended the labors of any administration of any corporation, and the stockholders expected a dividend. He whom I call the great dictator \* \* \* \* had decided that a dividend must be made and that was sufficient. It was nothing to him that in order to do so the accounts must be tampered with, so long as some one else did it. His will was law. Up to this hour you had not written one line of your report. The consciousness that in that report you must commit yourself to an erroneous statement of facts concerning the operation of the road I confidently believe was the most distasteful cup ever presented to your lips. I expected, even till the last moment, to see you reject the dose and decide again to stand firmly by the truth, be the consequences what they might, and I think, left to yourself, a report on the basis of the altered accounts never would have been written.

I have shown in my report to the Board of March 3, 1874, that there was a deficiency in the capital account for the fiscal year 1873 of \$3,677,911.16. The facts and figures therein given are incontrovertible. The books and accounts prove them conclusively. No mere assertion can alter or change them. The entries which have been made to change the true accounts into the false throw the books out of balance, and stand on their pages as a blot upon your name and mine. Erase them, and correct the gravest error of your administration.

Mr. Watson returned to New York about the middle of April, 1874. Dunan's scathing open letter to him was still a thing of lively public interest. No satisfactory response had been made by any of the officers or Directors to a single one of the damaging allegations Dunan had put forth. It was given out from time to time that President Watson would make a statement immediately after his return which would show the falsity of Dunan's charges and demolish them. The President returned, but a week or more passed without a word having been uttered by him in refutation of Dunan's damaging allegations. April 20th another sensational incident in this latest Erie imbroglio occurred. President Watson, having requested J. S. Hunichen, General Accountant of the Erie Railway Company, to furnish him with abstracts and statements from the

Company's books "as they exist," the Accountant replied by a note in which he declared that he was convinced of the correctness of Mr. Dunan's statement as to the condition of the accounts of the Company, and that in fact he had strenuously opposed the alterations at the time they were made, and had not since changed his opinion regarding them. "Therefore," he wrote, "as I do not care to act contrary to my convictions, I respectfully tender you my resignation as General Accountant of the Company, to take effect at your earliest convenience." The resignation was accepted at once by the President.

This incident led a leading New York newspaper, which had been a strong supporter of the Watson administration, to comment as follows: "We have refused to pass any judgment on Mr. Dunan's statements until President Watson should be heard, but we assure Mr. Watson that he is wearing out the patience not merely of the great public, but even of those who have most implicitly believed in him. If the book-keeper tells the truth, Mr. Dunan's charges are sustained. If he does not tell the truth he ought to be in State's prison. The matter cannot be ignored, and if Mr. Watson has any explanation to make he should not lose an hour in making it."

But Mr. Watson had been preparing his report; and April 22d he submitted it to the Board of Directors. He denied none of the charges made by Mr. Dunan, and, in fact, did not refer to the most serious ones. He explained and justified the transfers made from the expense accounts of the two operating departments to the capital stock, defended his policy, and concluded with the declaration: "Our business continues good, our road is in better condition than ever before, and I believe that when the contemplated report shall be made by those whose competency for the task and complete integrity and impartiality are assured, the recent attempt to injure the credit of the Company will result only in placing the great property before the public in a better position than it has ever before occupied."

The statement was not satisfactory even to the friends of the management, as the succeeding events painfully made apparent. The persons to whom President Watson referred as contemplating an ex-

amination of the affairs of the Company were expert accountants selected in this country and in England. The American experts were Stephen Little and Theodore Houston. James McHenry selected James Glegg, partner in the London banking house of Quilter, Ball & Co., and Henry Bishop of the London firm of Turquand, Youngs & Co. As representative of another party of English shareholders, Capt. H. W. Tyler was also selected to make a report, differences among the English proprietors having again occurred. The English accountants arrived in New York early in May, 1874. Glegg and Bishop were accompanied by James McHenry, who soon afterward returned to London, having quarrelled with President Watson and the Erie management over the details of a plan for leasing the Atlantic and Great Western Railroad to the Erie, which plan had been agreed upon by the Erie Directors, but was not satisfactory to McHenry. The lease was ratified by the stockholders of the Atlantic and Great Western Railroad Company June 25, 1874. It was for a term of ninety-nine years. Its terms bound the Erie Railway Company to pay the lessor 38 per cent. of the net earnings of the first year, 29 per cent. the second year, and 30 per cent. the third year. If, at the expiration of five years it was found that the proportion had exceeded that figure, the Erie was to divide the excess with the Atlantic and Great Western equally. The aggregate stock of the two companies amounted to \$130,000,000. The Erie Directors met the same day and accepted the lease. At this meeting Accountants Little and Houston made a preliminary report of the result of their examination of the books as they stood at the time of the retirement of Auditor Dunan. They announced that an error of \$3,000,000 had been made in the latter's report of the floating debt of the Company on February 28th, and that the report of the Committee of the Board of Directors had overestimated by more than \$500,000 the floating debt at that time.

But still the feeling increased that the Watson management was doomed. The English stockholders were clamorous again for a change. Erie stock fell to 26½, lower than it had been since the dark days of Gould's control. McHenry had formed

a new Erie Protective Committee in London. From its quarters he issued a letter June 30th, which was sent to the London Directors of the Erie Railway Company, and to the foreign exchanges, declaring that the management of the Company had adopted and was then engaged in following the Gould and Fisk method of issuing new stock which was to be sent to Europe for sale. This caused great depression in Erie stocks abroad, and hastened the decline of confidence in the management. To overcome this assault, Frederick William Smith, Secretary of the London Directory, acting on instructions, caused the arrest of one Wortner, an associate of McHenry, on July 17th, and began proceedings against him before the Lord Mayor on charge of libel of the Company. Wortner said he was prepared to prove every charge he had made. Nothing ever came of the prosecution.

The lease of the Atlantic and Great Western Railroad had scarcely been signed and come into force, when it was announced that that company, on July 1st, had defaulted in London in the payment of the interest on its first consolidated mortgage bonds. Following this discouraging news the situation of Erie was further disturbed by the instituting of proceedings against the Company, before Attorney-General Pratt, by John C. Angell, claiming to be a stock and bondholder of the Company, praying for the intervention of the State, for the benefit of the stockholders and *bona-fide* creditors, in procuring a dissolution of the Company, and the organization of a new corporation, free from its existing embarrassments.

At the hearing at Albany July 7th, Angell was represented by John M. Hill as counsel. Ex-Judge William Fullerton appeared as the legal representative of the Erie Protective Committee of London, the head and adviser of which was James McHenry. The Erie Railway Company's counsel were Hon. William M. Evarts and ex-Judge W. D. Shipman. The proceedings were founded on the affidavit of ex-Auditor Dunan, wherein the charges he had made in his exposures of March, 1874, were reiterated. Angell declared in his deposition, besides recounting the story of the alleged false dividends, that the floating debt of the Company was in excess of

\$7,000,000, and that the salable value of property that could be made available to pay that debt was not more than \$3,000,000, all the remainder of the Company's property having been mortgaged to its full market value; that the promissory notes of the Company could not be negotiated for less than a discount of from 30 to 40 per cent. per annum; that the Company had created a new mortgage in violation of the charter; that the Atlantic and Great Western Railroad, which the Directors had leased, was an insolvent concern, not producing enough net earnings to pay the amount of the annual interest required by the existing mortgages upon its property, and the terms of the lease were such as would involve the Erie Railway Company in further financial complications, one of which was in the Atlantic and Great Western's purchase of a large amount of stocks and bonds of the Cleveland, Columbus, Cincinnati and Indianapolis Railroad Company, in the raising of the money for which purpose the Erie Railway Company had endorsed the Atlantic and Great Western Railroad Company's obligations.

Dunan, in his affidavit in support of the charges, deposed that the current expenses for 1872 should have been further reduced \$400,000, the value of equipment destroyed during that year, no portion of which was ever made good in the equipment account; that Duncan, Sherman & Co. were charged with \$750,000 in notes of the Erie Railway Company given to that firm, which were ultimately paid in cash, and the charge stood unexplained on the books of the Company nearly twelve months, when Dunan was instructed to credit Duncan, Sherman & Co. against said charge by the purchase of 5,000 shares of Buffalo, New York and Erie Railroad stock, at \$150 per share. The stock of this Company was selling during 1873, when the Erie purchase was made, at 90, and Dunan declared that the shares were purchased by the Directors of the Erie Railway Company for \$450,000, or \$300,000 less than the amount charged the Company, which "was divided between some persons to the deponent unknown"; that Mr. Watson bought coal lands in his own name and sold them to the Pennsylvania companies leased by the Erie, the Company having no legal right to make such purchases; that the purchases were made

in 1873 out of convertible bonds, and the purchase money, amounting to \$1,000,000, was charged upon the books to the "Purchase of Coal Lands" account, and that he refused to obey President Watson's order to transfer the account to the President's individual account.

These allegations were all denied by affidavits of President Watson, Director Barlow, and others; not specifically, but under the general declaration that they were malignant falsehoods.

The Attorney-General took the papers and reserved his decision.

It had long ceased to be a mere rumor that Mr. Watson was to retire from the management of the Erie Railway Company in July, 1874. It was an assured event. The names of men from whom his successor might be chosen had been a month or more on the public tongue. The last act of the Board of Directors, at its last meeting, July 15, 1874, was to unanimously adopt the following:

*Resolved*, That the Board regrets exceedingly the necessity of parting with their valuable and estimable associate, with whom their intercourse had always been so agreeable, and for whom they have learned to entertain the most sincere friendship and respect.

*Resolved*, That few men could have brought to the position Mr. Watson leaves, so much integrity, resolution to contest wrong, to expose and guard against carelessness in duty, watchfulness against waste and extravagance in administration, or capacity to wield the great powers of the presidency as belong to and have been shown by him; and that our regret in parting with him is increased by the conviction that his impaired health is the undoubtable result of a faithfulness to the trust confided to him, which had led him to forget himself in his regard for duty and the interests of others.

*Resolved*, That in view of the attacks on the interests of the Erie Company and the integrity of its management, which malevolence, selfishness, and ingratitude have lately made, we congratulate our President that investigation only brings out more clearly the correctness and fidelity of his management, and increases and extends a reputation as an honest man, which belongs to his country, and of which she must ever be proud.

*Resolved*, That a copy of these resolutions be attested, and delivered to Mr. Watson.

The election of a new Board by the stockholders followed the adjournment of the old Board, and Peter H. Watson's name was added to the long list of those of his predecessors who had come to the head of Erie affairs with their own ambitions, and their various plans for the management of the great property, so few of which had tended to its advancement or its welfare. It may at least be said for President Watson that he stood as an obstacle to the machinations of the McHenry influences that sought absolute control of Erie, by no means insignificant among his services in that respect being his refusal to approve the paying from the Erie treasury of the \$750,000 alleged to have been used by McHenry and others in bringing about the overthrow of Jay Gould. The Watson administration was brief, but of duration sufficient to demonstrate that its policy was not one by which the Erie Railway Company could be grounded in public confidence and restored to such place among contemporary corporations as its property and capabilities entitled it. The policy of expansion was but the revival of Jay Gould's idea of 1868-69, and was undoubtedly correct in principle. The policy of dividend-declaring was simply one of robbing Peter to pay Paul, and could not obtain among wise business men. The ending of the Watson management came a long way from fulfilling its promise, and President Watson, disappointed, chagrined, broken in health, handed the Company, with all its inherited and acquired entanglements and misfortunes, over to other hands, which for the next ten years were kept in constant and active use in efforts to straighten out the complicated affairs of Erie. How well or how ill they succeeded the progress of this narrative will reveal.

## CHAPTER XIX.

### ADMINISTRATION OF HUGH J. JEWETT—1874 TO 1884.

I. AN ENTANGLED INHERITANCE: Mr. Jewett Takes Hold to Rescue Erie — His \$40,000 Salary, and Why the Company Agreed to Pay It — Troublesome Sequences of the Watson and Previous Managements — First Pooling Arrangement — Dissatisfied Foreign Holders of Erie Securities — The Unfortunate Atlantic and Great Western Entailment. II. TELLING THE TRUTH: A Rugged Path, with Obstacles that Will Not Down — President Jewett Uncovers the True Situation — The Company Bankrupt — The Management Saved by a Lawsuit that was Begun to Destroy It — Jewett Made Receiver of the Company. III. CAREER OF A BANKRUPT: Conciliating the English Shareholders — The Opposition of McHenry — The Reorganization Plan, the Foreclosure, and the Decree of Sale — General Sickles Plans Another "Raid" — Harassing Struggle of McHenry in the Courts to Block the Reorganization Plans — The Receiver Successful at Last — The Bankrupt Erie Railway Company Dies — Succeeded by the New York, Lake Erie and Western Railroad Company. IV. THE BURDEN TOO HEAVY: President Jewett Again Hopeful — A Question of Dividends — Disastrous Rate Wars — Disquieting Rumor as to the Company's Stability — Failure of the Marine Bank and of Grant & Ward Embarrasses the Erie Management — Passing of the June Interest, 1884 — President Jewett Announces that He is Anxious to Retire — John King Made Assistant President — Mr. Jewett Retires, and King is Elected President — A Question of Service and of Justice.

#### I. AN ENTANGLED INHERITANCE.

I have accepted the Presidency of the Erie Railway Company with the determination, if possible, to place the road on such a basis as will enable it to compete successfully with the other great trunk lines. I am fully aware of the great difficulties that I shall have to contend with, but I am resolved to do my best to overcome them. I have prepared myself for the worst, and cling to the hope that, by energy and organization, the fortunes of the road can be retrieved. What directions the changes and reforms I contemplate will take I am not prepared to say. That a reform, a very thorough reform, is needed cannot be denied. I have not taken charge of the road for the purpose of losing my reputation as a railroad man. The first thing I purpose doing is to examine for myself into the condition of the road, and upon the result of that will depend my future course and conduct.—*Hugh J. Jewett, July 15, 1874, after his election as President.*

Besides the more remote items in the Erie legacy which the coming management was to fall heir to from its predecessors, not a few of which were destined to be a plague to it, there were others, created at the very close of the Watson management, that promised more or less of tribulation, and which called for decisive action on the part of the retiring management to make its worriment less as part of the inheritance of the succeeding *régime*. These were the Angell suits, then pending, one in the courts and one before the Attorney-General.

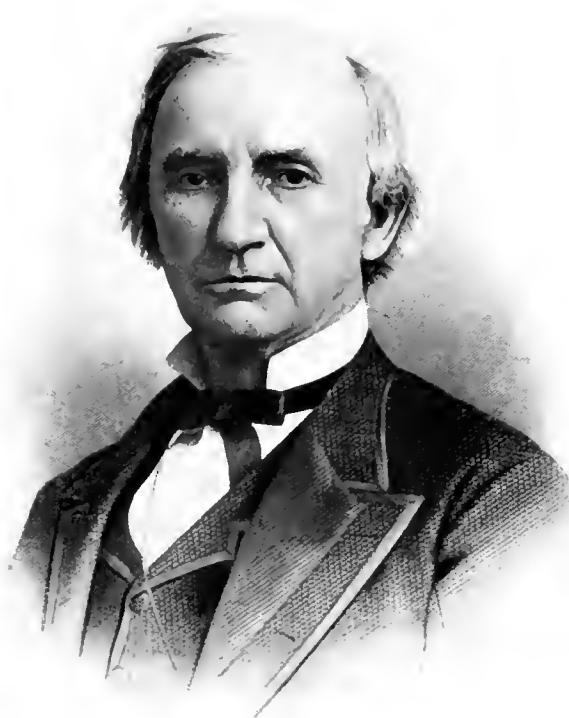
At a meeting of the stockholders held previous to the July election, the following resolutions were unanimously adopted:

*Resolved*, That the stockholders of the Erie Railway Company now assembled, representing in person or by proxy more than one-half of the total stock capital, both common and preferred, of this company, do hereby express their grateful thanks to the officers and directors of the company for their careful and patient labor for the past year, and for the fidelity with which they have administered the affairs and business of the company.

*Resolved*, That the action of the Directors of this company in creating the so-called second consolidated mortgage to secure the amount of \$40,000,000 of bonds (\$10,000,000 being reserved to cover the existing convertible bonds) and in issuing a portion of said bonds for the general uses and purposes of this company, be and the same is hereby ratified, approved, and confirmed; and that, in the opinion of the stockholders, the said issue was necessary and proper, and that the proceeds shall be used and disposed of in paying and discharging the indebtedness and liabilities of the company, and for such other purposes as may, in the opinion of the Board, be considered necessary, proper, and expedient.

*Resolved*, That the stockholders do fully ratify, approve, and confirm the recent lease of the Atlantic and Great Western Railroad by the Erie Railway Company, on the terms set forth in the lease dated May 6, 1874, and in the contemporaneous agreements, and do likewise approve, ratify, and confirm the purchase heretofore made of the stock of the Buffalo, New York and Erie Railroad, and in the purchase of interests in coal lands, and in the stocks of various coal companies organized under the laws of Pennsylvania, such purchases being, in the opinion of the stockholders, wise and necessary for the requirements of the company, and for the true interests of the stockholders.

*Resolved*, That the stockholders of this company have assembled to now formally accept, adopt, and confirm all the acts, arrangements, purchases, and contracts aforesaid, the same, in the judgment of this meeting, having been wisely made and entered into for the best requirements of the company, and for the true interests of the stockholders of said company.



*H. J. Lunt*



*Resolved*, That a copy of these resolutions be duly certified to the Attorney-General of the State of New York.

All this was of course to strengthen the position of the Company in its defence in the Angell suits if they were pressed to final action, and to bind up such loose ends of management as might have resulted from the course of President Watson and the Directors in bringing to bear the things complained of in the suits, although they affected to believe that the suits were designed as stock-jobbing or black-mailing raids by their authors.

At the election for Directors which followed the adoption of these resolutions, the following gentlemen were chosen as the Board for the ensuing year: Hugh J. Jewett, S. L. M. Barlow, John A. C. Gray, W. Butler Duncan, Marshall O. Roberts, Frederick Schuchardt, Edwin D. Morgan, John Taylor Johnston, Henry G. Stebbins, Herman R. Baltzer, Louis H. Meyer, New York; Cortlandt Parker, Newark; Lucius Robinson, Elmira; Homer Ramsdell, Newburgh; Thomas A. Scott, Philadelphia.

The Board organized and elected Hugh J. Jewett, President; William P. Shearman, Treasurer; and Augustus R. Macdonough, Secretary.

It may be well at the start of this narrative of the events that marked the Jewett administration to correct an impression that prevails widely in railroad circles, even to this day, that the amount of the salary which it was soon known Mr. Jewett was to receive as President of the Company, and the terms of the contract which secured its payment, were the result of undue influences brought to bear by him by which he was able to dictate his emolument. Mr. Jewett did not seek the Presidency. As a matter of fact, his name had not been mentioned in connection with the place until after the death of J. Edgar Thompson, President of the Pennsylvania Central Railroad Company, in May, 1874. It had been decided by the controlling influences of the Erie Railway Company that Col. Thomas A. Scott, First Vice-President of the Pennsylvania Railroad Company, should succeed Mr. Watson, and he had accepted the offer. The death of President Thompson, however, left the Pennsylvania Railroad Com-

pany without a directing head, and Colonel Scott was called to succeed Thompson. The Erie people were then all at sea for a successor to President Watson, and applications were made to a score or more of prominent railroad managers in different parts of the country to take the place before Mr. Jewett was approached on the subject. He was then a Representative in Congress from Ohio, prominent in national affairs, and with a fair promise of still greater distinction. He was largely interested in the control of railroad properties in Ohio and elsewhere, the remuneration from which was large and of prospective increase. His success in past railroad management had gained him a reputation for much sagacity and business foresight. Moreover, it was believed by the controlling influences then in Erie that his ambition and personal interests would be in common with certain views which that control had in mind as to the future policy of the Company. Mr. Jewett was offered and solicited to take the place to be vacated by Mr. Watson. He was not inclined at first to consider the offer, to the sacrifice of his position and other prospects, but at last consented, on condition that he should be paid a salary of \$40,000 a year; be secured in the place and salary for ten years, and receive during the first year of his incumbency \$150,000, or an advance of \$15,000 a year for the ten years, \$25,000, the difference between \$15,000 and \$40,000, to be paid annually thereafter. Those were the only conditions upon which Mr. Jewett would consent to abandon his existing engagements and take charge of the affairs of the Erie Railway Company. It rested with those in power to say whether they would be justified in agreeing to the conditions. They decided that they would be, and they agreed to Mr. Jewett's conditions. No railroad president had at that day received as large a salary as Jewett's. Years before, Charles Moran had been secured by the New York and Erie Railroad Company as President, under circumstances somewhat similar to Mr. Jewett's, at a salary of \$25,000. President Watson had received \$20,000 a year. Mr. Jewett placed the value of his services at \$40,000 a year, with a large advance as indemnity. The Company decided that he was worth it, and employed him at his own terms.

Whether they made a good or a bad bargain, or whether their action was legal, is another question, let the settlement of which depend on the showing of the story of the Jewett administration.

President Jewett was not long in making the discovery, in "examining for himself," that he had come into possession of a charge the condition of which revealed to him that when he uttered the conviction, on taking office at the head of Erie, that "he had prepared himself for the worst," the worst had not stood uncovered before him. He found that on the \$25,000,000 of bonds which had been authorized for issue at different times during the Watson administration, the Company had realized only something like \$14,000,000. The \$15,000,000 of second consolidated bonds that President Watson had gone to London to negotiate, and which he had hawked about among the money-changers of Europe for eight months, were not placed as a loan at all, but had been hypothecated from time to time, through James McHenry, at a ruinous discount. Of the \$10,000,000 issue of convertible bonds, \$8,000,000 were negotiated through Bischoffsheim & Goldschmidt, netting \$7,827,677.58. Of this amount only \$4,249,989 were remitted to the Company's treasury, the balance of \$3,577,688 being retained in London, and used in interest payments on other debts. The \$2,000,000 balance of the \$10,000,000 issued had been intrusted to the care of James McHenry, and the Erie treasury was still yearning for it when Jewett assumed control. The \$4,249,989 had been charged to the construction account covering the period between January 1 and September 30, 1873. What it was actually used for does not appear. There was literally nothing in the Erie treasury to even make a pretense of beginning "to place the road on such a basis as will enable it to compete successfully with the other great trunk lines." In fact, the Erie was so ill-provided for competing with such lines that one of President Jewett's first acts was to enter into a non-competitive or pooling compact with the Pennsylvania Central and the New York Central Railroad Companies, which was the beginning of that trouble with the merchants and commercial corporations of New York that resulted

in renewed bitter strife in the Legislature of New York and other States, and at last in Congress, between the railroads and the shipping interests, and culminated in much restrictive and prohibitive legislation in the conduct of railroad management. The far-reaching effect of that compact, which was signed at a meeting of railroad magnates at Saratoga August 5, 1874, may be imagined from the number of railroads that became party to it with the three great trunk lines. They were the Atlantic and Great Western; Cleveland, Columbus, Cincinnati and Indianapolis; Lake Shore and Michigan Southern; Great Western of Canada; Michigan Central; Detroit and Milwaukee; Canada Southern; Toledo, Wabash and Western; Indianapolis, Bloomington, and Western Indianapolis and St. Louis; Terre Haute and Indianapolis; Ohio and Mississippi; Illinois Central; Pennsylvania Company; Pittsburg, Cincinnati and St. Louis; Jeffersonville, Medina and Indianapolis; Cincinnati, Hamilton and Dayton; Chicago, Burlington and Quincy; Chicago, Rock Island and Pacific; Chicago and Northwestern; Evansville and Crawfordsville; Evansville and Terre Haute; Indianapolis, Peru and Chicago Railway Companies, and others.

The compact provided for the formation of a Bureau of Commissioners, and whose duties included the establishment of through rates for the transportation of passengers and freight over the several lines between competitive points East and West, in conjunction with the Eastern Bureau of Commissioners, who represented the trunk lines of the country, lying east of Buffalo, Pittsburg, and Ohio River. To insure the united support of the Commissioners' actions, the companies pledged themselves to require and exact from all their connecting lines the rates established from time to time by the Commissioners, and in no event to accept from any connecting line, agency, or other party, any lower rates than might be established by said Commissioners, and upon notice of such failures from the Commissioners, no through tickets or bills of lading would be received or delivered to any line so failing to conform to the requirements of the compact.

The Baltimore and Ohio Railroad Company and the Grand Trunk Railway Company of Canada

refused to enter into the pooling agreement. This excited the merchants of New York, who declared that the compact was a discriminative one against New York by the Erie Railway and the New York Central Railroad Companies in favor of Philadelphia and Baltimore, and that it would ruin the grain trade of New York. The Chamber of Commerce held a meeting denouncing the Erie and Central managers, and appointed committees of influential citizens to take measures to break the railroad combination in the interest of the trade of New York City. Their efforts, and the result of them, will occupy their proper places in this narrative.

The long-expected report of the London accountants of their investigation into the Erie Railway affairs was made public in London, October 9, 1874. In substance its statements were as follows: In the three years ending September, 1873, the profits of the road were \$1,108,775, instead of \$5,352,673 as stated in the Company's accounts. This amount was subject to a further deduction in respect to the various items charged to capital, and not then audited. The report showed a loss on the working of the Atlantic and Great Western Railroad up to September 30, 1871, and stated that \$3,240,167 were paid for it by the Erie Railway Company in 1871, 1872, and 1873. The accountants considered that, under the circumstances, the dividends on the preferred stock were fairly earned. The report said that but for the deficit of \$456,444, shown by the corrected profit and loss account, as existing September 30, 1871, \$270,000 would have been available, subject to the adjustment of outside matters, for a dividend on the common stock for the two years ending June 30, 1873. The accountants anticipated that the value of the recoveries from Jay Gould would fall very far short of their nominal amount. An abstract of the statement of assets and liabilities of the Company up to September 30, 1872, showed the liabilities to be \$115,449,211, and the assets \$118,265,979. "An authoritative examination and determination of many questions of law and fact, affecting the nature of multifarious liabilities and assets, must be accomplished before a complete elucidation of the present financial position of the Company could be arrived

at." The profits of the Company for the three years ending September, 1873, were subjected to the deduction of the Bischoffsheim disputed claim of \$400,000, for aid given in the expulsion of Jay Gould. The balance sheet to September 30, 1873, showed a net deficit of \$2,331,392. The report covered the period from September 30, 1871, to March 31, 1874.

The report was so unassuring and showed, although with much ambiguity, how the confiding English stock and bondholders had been hoodwinked, that it was followed by a disastrous reaction in the value of Erie stock, and an almost entire loss of confidence abroad in the future of the Company. The report was far from responding to the wishes or interests of the *bona-fide* shareholders. It only enlightened them with regard to the disorder and mismanagement in the years 1872 and 1873, much of which was a remnant of the years of the Gould and Fisk demoralization. Regarding the actual financial condition of the Company, the application of the loans and the probable effect of the promised or suggested reforms of Mr. Jewett on the remunerative working of the line, it left them entirely in the dark. A leading London newspaper, commenting on the report, was moved to declare that on reading it "every Erie shareholder's first impression must be to sincerely regret the day when the so-called 'Rescue' was brought about, for while Jay Gould reigned supreme no Englishman parted with a dollar to the insatiable Erie Company. We will not speak of the little bill presented by Messrs. Bischoffsheim & Goldschmidt for the 'Rescue.' That claim is a mere trifle, compared with the other financial results of the overthrow of Jay Gould. That worthy's exit was followed by the advent of Mr. Watson, heralded as the honest Under-Secretary of War during the great struggle between North and South, and as a man of as great capacity as integrity. Mr. Watson lost no time in coming to London to carry out his great policy, which was to bring a golden harvest to the long-suffering Erie shareholders. All that he wanted was money—money for improvements, extensions, and payment of the floating debt—and money was furnished by the English public, with its usual sanguine liberality—a total of, say, £4,150,000 of

hard cash extracted by Mr. Watson from the British public, not to speak of the large amounts which the Atlantic and Great Western Company managed to raise by the cry of an intimate alliance with the Erie. And now the accountants tell us that, under Mr. Watson, not only was there no more a dividend earned than under Jay Gould, but that it is doubtful whether the Company will be able to pay the interest on its recent issues of bonds. The report refers to a period anticipatory to that at which the whole of the proceeds of the issues of convertible and second mortgage bonds reached the Company, but it does not require much reading between the lines to see that the accountants found no income to pay the full interest on the entire bonded debt to-day. Such a state of things would stamp the Watson administration as a far more fatal one than that of Fisk and Gould. Prospectuses for the two issues of bonds stated that 'the proceeds will be devoted to doubling the track, narrowing the gauge, or placing a third rail on the present broad gauge, the increase of rolling stock, and generally to the improvement of the property,' and we cannot believe that, notwithstanding these declarations, the money has been simply squandered and not left a mark. If that money has been judiciously laid out, the least that it must produce forthwith is its own interest. If after a few years it does no more than that, the shareholder has not been benefited in any manner, but only exposed to a greater danger of foreclosure. It is quite possible that when Captain Tyler made his inspection, all the improvements were not completed; that, for instance, the new rails and the new rolling stock had not yet arrived on the ground, and on this account it is the more urgent that this Board should give complete details as to the disposal of the vast amount of money. Mr. Watson has gone and Mr. Jewett is now President. He bears a very high reputation, and will doubtless be anxious, if possible, to reassure his constituents. While the anomaly must exist by the law of the United States that a railway almost entirely owned by Englishmen is managed exclusively by a Board of Americans, the English proprietors must, in our opinion, insist on a machinery which will afford them an efficient control over their property."

October 27, 1874, Captain Tyler, who was sent to this country as a railway expert to examine and report on the condition and prospects of the Erie Railway property, made public the result of his observations. The road, he said, undoubtedly possessed natural advantages, but in order that its resources might be properly developed, he specified several objects necessary to be obtained as follows: Double track, with steel rails and durable sleepers (ties) on the whole main line and some other sections; some improvements in the gradients of the road; fresh extensions and connections; change of gauge indispensable; improved terminal arrangements to provide sufficient storage for increased traffic; iron bridges to be substituted for wooden, when the latter required renewal; speculation in coal fields and all other objects to be avoided; no outside rings should be permitted to carry out any of the improvements mentioned; liberal expenditure, but the precise amount to be expended from time to time could only be settled after most careful deliberation.

Captain Tyler said there was probably no railway in the world which would better repay such large expenditure than the Erie Railway, if a really good management, supported by a stable constituency of proprietors, could be permanently secured. He recommended the organization of a strong committee in England to control arrangements with regard to fresh capital and expenditure generally. He condemned railway competition as ruinous, and told investors to make allowance for the depressing effects of the panic of the previous autumn, and not consider as normal the current year's traffic. Captain Tyler particularly recommended a Canadian connection by way of the International Bridge. He assured the shareholders that there was no cause for despair, but every reason to hope for the future of Erie, if only undue competition was avoided and good management secured. He estimated the cost of a change of gauge at \$8,500,000; improvement of gradients, \$3,000,000; iron bridges, \$1,500,000; and new depots, \$700,000. He thought the most of that total might be expended wisely in about three years, and he advised the laying of 20,000 tons of steel rails within the same period.

"As regards freight," Captain Tyler said, "Erie is exceptionally well situated for coal traffic; its traffic in milk, butter, eggs, and cheese also increases rapidly; it conveyed in 1873 about one-sixth part of the through grain traffic from the West, and with an alteration of grade the traffic could be largely increased. The line is in some parts in excellent running order, in other parts in fair running order, and in other parts, again, including some of its branches, and portions not fresh jointed, in a less efficient condition. Very much might be done in economy of maintenance by the employment of more durable materials. Of 505 engines on the books, 33 have nothing to represent them. From a careful survey which has been made of the whole of this stock, it would appear that the depreciation of it may be expressed at 47 per cent. below what it would be if the engines were all in thorough good working order, and they would probably compare not unfavorably with the engines of other American lines. Of the 13,716 cars owned or leased by the Company, 8,005 are in good condition, 4,840 in fair working order, and 871 require to be repaired or rebuilt. The relations of the Atlantic and Great Western Railroad with the United States Rolling Stock Company are most onerous, and means should be found for terminating them. Grain ships should be loaded by an elevator, as oil is at Weehawken."

This report was received with more expressions of disappointment and discouragement by the stockholders than the report of the accountants had been. The showing it made of the condition of the property and of what was required in the way of labor and expenditure to place it in shape for economical and efficient service, after all the money that had been supplied to be used ostensibly for the establishing of the property on such a basis, was not in the least calculated to inspire hope for return in dividends or even interest on bonds. It revealed, also, if the report might be accepted as trustworthy, and of its trustworthiness there seemed to be no question, the difficult task and by no means pleasant prospects confronting the new management. On the making public of Captain Tyler's conclusions Erie stock declined rapidly from 36 to 27, and it

was many a day before the unfortunate stock reached the former figure again.

The disturbing Angell suits were persisted in by their promoters. The author of these suits was Jay Gould, who, knowing the by no means stable condition of the Company whose affairs he had once himself so memorably manipulated, had laid plans to get control of them again. His mediums in this procedure were J. C. Angell, H. D. V. Pratt, and Joseph W. Guppy, the latter being the man through whom ex-Auditor Dunan was induced to reiterate his damaging charges against Watson, by affidavits in support of this complaint. Angell was an obscure person whom no one knew. Pratt had been a short time Superintendent of Transportation during the Watson administration. Guppy had entered the service of the old New York and Erie Railroad Company with Charles Minot, one of whose numerous *protégés* he was, when Minot came from the Boston and Maine Railroad in May, 1850, to become General Superintendent of the New York and Erie Railroad. Guppy had been telegraph operator, Chief Clerk, Assistant General Superintendent, and a valuable adjunct of the Operating Departments of the Company from that time until 1872, with the exception of a lapse of a few years when he was Minot's assistant as Manager of the Michigan Southern Railroad. He had been a confidential *attaché* of both Gould and Fisk, and was a friend of Dunan. In the event of the success of Gould's new attempt against the Erie, it was understood that Pratt and Guppy were to be the Receivers of the Company.

Coupons on the second consolidated bonds being due in December, 1874, Barrett, Redfield & Hill, Angell's counsel, made a motion before Judge T. E. Westbrook, of the New York Supreme Court, asking for an injunction restraining the Erie Railway Company from paying the interest on those bonds, and for the appointment of a Receiver for the bonds and the stock of the coal companies. Judge Westbrook issued an order on the defendants to show cause on December 2, 1874, why these motions should not be granted, enjoining the Company meanwhile from paying the coupons. Upon affidavit made by President Jewett on that day, Judge Westbrook modified

his order as to the payment of interest and other pecuniary obligations of the Company. On a hearing to continue the modified injunction, argued on the 3d by William Wallace MacFarland for the Company, ex-Judge William Fullerton for the London Protective Committee, and W. C. Barrett for Angell, John L. Lawrence was appointed Referee to hear the testimony on which the continuance of the injunction was sought, and report to the court. A similar injunction was issued from the London Chancery Court on December 2d, on the complaint of one McKenna, a stockholder, but it was dissolved on the 7th.

The months of October, November, and December, 1874, were very trying months for the Company, on account of the low rates of fare and dull traffic generally, but especially in east-bound business, which was very irregular. Mr. Jewett, however, reported that the earning for those months were equal to the expenses, and on December 10th, in the face of the by no means encouraging situation, he made public a report for the year ending September 30th, upon which he felt satisfied to venture some very sanguine calculations. He showed that while the Company had earned \$18,500,000 during the year, its working expenses had been \$13,500,000, leaving \$5,000,000 of net revenue. Four millions of that was to be applied to the payment of rentals, interest on mortgages, taxes, etc., leaving about \$1,000,000 surplus, the most of which was to be employed toward the reduction of the floating debt. The flexibility and possibilities of railroad accounting, and the mystery of that science, was startlingly demonstrated in Mr. Jewett's statement of the amount of the Erie floating debt at the end of September, 1874, which was reported at about \$1,500,000. At the end of September, 1873, according to the English expert accountants, the floating debt of the Company was \$5,500,000. Here was a reduction of \$4,000,000 during the year, a progress of the railroad toward prosperity which was not shown by any of the returns in Mr. Jewett's reports. This wide discrepancy in accounting proved again what it is possible for diverging theories as to the proper construction of liabilities and their relation to assets

to accomplish in showing the condition of a railroad company's finances.

One of Mr. Jewett's sanguine expectations, more than a score of years ago, was that the time would come in his administration when the Erie would be earning \$22,000,000 a year, and its net revenue over \$8,000,000. He did not mention that there was any probability of a dividend in the very near future, but even with the road earning a net revenue of \$8,000,000 annually, the person who took the trouble to figure a little found that, after providing for the possible floating debt and the interest on the bonded indebtedness, there would not be more than \$2,500,000 to be divided among the holders of \$86,000,000 of stock, common and preferred.

Director John A. C. Gray was sent to London in the fall of 1875, with instructions to unravel and adjust the complications into which the affairs of the Company had fallen there, to recover the undisposed-of bonds, take the Company's interests away from the hands they were in, and extinguish all outstanding liabilities, except shareholders' and bondholders' obligations. Mr. Gray returned in November and made his report. This the Company declined to give to the public, but the statement was made by President Jewett, officially, that Mr. Gray had successfully accomplished his mission, and the stockholders were to be congratulated upon his success. Subsequent events, including years of expensive and annoying litigation at home and abroad, proved that some one had been in error as to the result of the Gray mission.

In the month of December, 1875, the headquarters of the Erie Railway Company were removed from their elegant housing in the Grand Opera House to the original Erie building at West, Duane, and Reade streets, from which they had been taken to the Opera House in the luxurious days of Gould and Fisk. The Opera House and the twenty-two lots and buildings that composed the Gould purchase, and which were part of his "restitution" to the Watson administration, were advertised for sale by the Company, but as the sale was conditional on the property going in one parcel, no transfer was consummated.

Peter H. Watson had scarcely taken his place as

President of the Erie Railway Company in July, 1872, when James McHenry, on the 12th of that month, placed before him a proposition urging the lease of the Atlantic and Great Western Railroad by the Erie. President Watson said he was in favor of bringing about some such arrangement, but when McHenry fixed the rental on the basis of a guarantee of the interest on the first and second consolidated mortgage bonds of the Atlantic and Great Western Company, which would have called for a payment of about \$2,000,000 a year, Watson declined to entertain the proposition, saying that the sum was entirely too much for a railroad that "began at no place and ended nowhere."

"If you are anxious to lease your road, get connections that will make it valuable," said President Watson.

Then Watson told McHenry that the Cleveland, Columbus, Cincinnati and Indianapolis Railroad and its ramifying lines would be an acquisition to the Atlantic and Great Western Railroad that would give the latter great importance as a connecting link in an Erie through system. It happened that President Hurlburt of that company, and the Vanderbilt, Clarke, and Schell interests in Lake Shore had clashed, and Watson informed McHenry that the latter might get control of the stock of the Cleveland, Columbus, Cincinnati and Indianapolis Company on very favorable terms. Watson succeeded in negotiating a deal of the kind between McHenry and Hurlburt. McHenry got control of \$7,500,000 of the stock. This was carried for him on margin by William R. Travers & Co., of Wall Street, for more than two years, eighteen months of which time the Erie Railway Company had advanced money from time to time to keep the stock from being sold, the amount thus advanced, through S. L. M. Barlow, being in September, 1874, \$115,000. The control of this stock was the only thing that made the lease of the Atlantic and Great Western Railroad to the Erie of any value, in the estimation of the Erie management. In September, 1874, Travers & Co. notified McHenry that the stock must be cared for or they would sell it for his account. Director John A. C. Gray was in London then. McHenry induced Gray to recommend the Erie to advance the money neces-

sary to save this stock. Through S. L. M. Barlow, who made the request as a personal one to Col. H. G. Stebbins of the Finance Committee, the advance was made, and approved by President Jewett. The amount necessary was \$681,000, making nearly \$800,000 the Erie had paid, through Barlow, to keep McHenry's stock. McHenry, who then owed the Erie at least \$1,000,000 besides, promised Gray he would settle the stock advances within a few days, but he never settled; and thus railroad managers, who were not altogether certain whether they would be able to meet obligations of their Company that were to fall due within a few weeks, did not hesitate to take the chances of furnishing from its treasury almost a million dollars to do a personal favor for one of their number.

The lease of the Atlantic and Great Western Railroad to the Erie, to which the Watson administration, as one of its last acts, had agreed, was based on the terms that President Watson had refused in 1872, but was predicated on the clause that a controlling interest in the Cleveland, Columbus, Cincinnati and Indianapolis Railroad should be purchased by the Atlantic and Great Western Railroad Company and delivered to the Erie. This the lessor company did not do. President Jewett subsequently discovered, further, that the Erie Railway Company, as lessee, was compelled to deposit in the State of Ohio securities to such amount as the Directors of the Atlantic and Great Western might require. Consequently, although the retiring Board of Directors had by their resolution approved and ratified the lease, President Jewett wisely refused to recognize it as binding, and this complication was left to the future to disentangle.

## II. TELLING THE TRUTH.

Mr. Jewett had not long been at the head of Erie affairs before it became manifest that the Company was to have at last a management that could make a show of business methods. He went at once thoroughly into details, and the loose and dragging ends of unfinished or neglected operations were gathered up and knitted together. When he had time to look about him, according to a declaration subsequently

made, he found the Erie rolling stock insufficient and defective, because of neglect in replacement and repairs by former managements; a railroad almost entirely made of iron rails, upon a roadway largely of single track; locomotives and cars of a variegated sort as to pattern, size, and date of build, there being no less than 85 different patterns in use; roundhouses inadequate for the accommodation of the locomotives; passenger and freight buildings insufficient in number, convenience, capacity, and condition; docks and other terminal facilities entirely inadequate for the traffic of the road; many of the bridges of antiquated wooden structure, and even the culverts, in some instances, made of wood; the roadway in deplorable condition, out of repair and deficient in ballasting, and cross-ties decaying; sidings and yards insufficient, and things generally down at heel, in the face of all the alleged millions that had been spent on the "betterment" of the road.

There is no doubt, either, that it did not require more than the first six months of his administration, during which time he had made himself well acquainted with the financial condition and necessities of the Company and the urgent requirements of its railroad, to convince President Jewett that, while it was well to hope for the best and trust to the favor of events, the prospects for disentangling, in the regular order of business and management, the complications that confronted him were by no means bright, and that even at that early day the probability of having to resort to extraordinary and perhaps drastic measures found place in his mind. His earlier calculations for the future, however, revealed nothing of this, and he sustained the possibility of affairs righting themselves, or tending toward such a consummation, by the ever-consoling "If." "If we can keep the expenses down to," etc.; "if we can maintain our operating expenses at a certain percentage of the earnings;" "if" this, that, and the other fortuitous circumstance might prevail, he "could see no reason," etc., President Jewett was wont to tell the stockholders, and the public, why the Erie Railway Company, within a reasonable time, would have not only overcome its difficulties, but would be earning dividends. There can be no doubt

that Mr. Jewett's wish was father to the thought. It is of no small belief, to this day, that if any adept in railroad management could at that time have piloted the Company through the threatening breakers of bankruptcy and out into safe waters once more, President Jewett was the one. But no man living could have saved it from foundering. It was as a vessel captured, ransacked, and scuttled by pirates. Its doom was sealed.

In 1875 something almost unheard-of in the history of the Erie occurred. The truth about the affairs of the Company was told by its officers. This unique and astounding event might have been a startling object-lesson in the teaching of the public the difference between the conditions of a railroad company's affairs as revealed by the annual official statements, and their condition when shown in the light of facts, if the public had not long ceased to credit the yearly reports of the Erie Railway Company as to anything they might contain. It was only one year since the report of the preceding year's business of the road was promulgated, and attested as to its reliability by a Directory in which men of the highest standing held seats, to the effect that the earnings were so much in excess of expenses that dividends both of the common and preferred shares were warranted; and in the last month of the year 1874 the official statement was made public that the earnings for the year ending September 30th were \$5,000,000 in excess of the expenditures; and in the report for the same year, made to the State Engineer, January 25, 1875, the funded debt of the Company was stated to be less than \$46,000,000, and the floating debt something like \$2,500,000. A few weeks later the startling telling of the truth as to Erie affairs came about, and how entirely railroad accounting seemed to be but a mere matter of form and a creature of circumstances, was shown when placed in comparison with this revelation.

In spite of the fact that the railroad was solemnly reported to have earned \$5,000,000, net, at the end of the fiscal year of 1874, the annual rumor was abroad before midwinter that the Company would not have money enough to meet the interest that would become due on its bonds in June. The Saratoga rate compact had been broken before the end

of 1874, and the Pennsylvania Central had joined with the Baltimore and Ohio Railroad Company in a war on the Erie and New York Central companies by a heavy cut in rates. The Grand Trunk Railroad Company, which had a New York connection by the Vermont Central Railroad to New London, Conn., thence by line of steamboats on Long Island Sound, also reduced both freight and passenger rates between New York and Chicago. Both New York trunk lines were forced to meet these cuts, and, of course, the reduction was particularly disastrous to the Erie. This war was at its height in March, 1875, when the great ice flood in the Delaware River carried away the Erie's iron bridge across that stream, four miles above Port Jervis, and traffic on the railroad for 125 miles west of Port Jervis was suspended for a fortnight. Besides the loss this caused, the replacing of the bridge cost the Company \$75,000. Yet President Jewett returned cheerful and confident words to anxious inquirers under all these and many other discouraging circumstances that attended the affairs of the Company, until at last certain stockholders became over-anxious and annoyingly persistent in their seeking after light on Erie's prospects. Then President Jewett rose and laid bare poor Erie's true condition. This was in May, 1875, and the tenor of his revelations was substantially this:

The funded debt outstanding at the beginning of May, 1875, was \$54,394,100 (reported at \$45,596,814 in January), on which the annual interest then accruing was \$4,073,106.56. There were still \$600,000 of the \$15,000,000 second consolidated mortgage bonds in the possession of the Company. The Company received on account of the disposal of these bonds by the London Banking Association, previous to the coming in of Mr. Jewett, on July 14, 1874, \$2,106,293.26. Since his election there had been received \$2,556,567.83, which, with disbursements of proceeds of the bonds made on indebtedness of the Company in London, and amounting to \$1,497,283.91, was an aggregate amount of \$6,160,145, leaving \$2,542,157.50 to be accounted for, to which was due the controversy then pending between the Company and McHenry and the London Banking Association. The disposal of the money received by

the Jewett management from the proceeds of the second consolidated bonds (\$2,556,567.83), was reported from the Treasurer's office as follows:

*Disbursements on Account of Indebtedness Incurred Prior to July 14, 1874.*

For Construction.....	\$343,698 53
Coal Land Mortgages.....	829,904 14
Atlantic and Great Western Railroad, Account of Rental .....	329,531 25
Settlement of Buck & Fargo and Union Car Company Suits.....	202,375 44
Injuries to Persons (old claims).....	85,025 06
Suspension Bridge and Erie Junction Railroad Stock .....	23,700 00
Buffalo Real Estate.....	24,958 30
First Mortgage Bonds paid off.....	2,000 00
	<hr/>
	\$1,841,192 72

*Disbursements on Account of Indebtedness Incurred Subsequent to July 14, 1874.*

Advances on Cleveland, Columbus, Cincinnati, and Indianapolis Stock Account, James McHenry .....	\$681,095 77
Steel Rails.....	129,378 65
General Fund.....	46,810 04
	<hr/>
	\$857,284 46
Aggregate .....	\$2,698,477 18
Deduct Cash in Treasury, July 14, 1874....	141,909 35
	<hr/>
	\$2,556,567 83

The coal lands, and stocks in the companies owning them, cost the Company \$2,594,191.65, of which amount \$1,931,810.08 was applied to the purchase of the stock, and \$662,381.57 was advanced to meet expenses incurred by the companies in the management and development of the lands, none of which had as yet been profitable to the Company.

The truth about the mission of John A. C. Gray to London to bring about a settlement with McHenry and the London Banking Association was that he brought back 2,766 shares of the Cleveland, Columbus, Cincinnati and Indianapolis Railroad stock, and \$656,500 in Atlantic and Great Western bonds, known as the western extension bonds, the value of which was not known, or uncertain. The lease of

the Atlantic and Great Western Railroad that the Watson management had made and ratified contained no clause specifying the kind of security the Erie Railway Company should deposit to insure its agreement, but the agreement ratified by the Atlantic and Great Western Railroad Company declared that the Erie must deposit in the State of Ohio \$1,000,000 in its second consolidated mortgage bonds. The lessee company was also to purchase and transfer to the lessor a controlling interest of \$7,500,000 in the stock of the Cleveland, Columbus, Cincinnati and Indianapolis Railroad Company by January 1, 1875. This was the stock McHenry held, and he insisted that the Erie Railway Company must take it and pay him all the investment had cost him. This Mr. Jewett had refused to sanction; and holding that there was good and legal reason for not regarding the lease as binding on his Company, he had repudiated it, and the Atlantic and Great Western Railroad Company was meditating legal proceedings to enforce its terms.

The earnings of the Erie Railway Company were falling short of its requirements for interest on its bonds and floating debt and its leases more than \$3,000,000. This had been going on for several years, and the bonded debt had increased \$5,000,000 a year for four years, and the last bonds issued by the Company, a gold 7 per cent. bond, had been disposed of for forty cents on the dollar.

This telling of the truth about Erie occurred on May 14th, and it was soon known that the Erie was trying to borrow \$500,000 to meet its June interest by mortgaging its coal lands in Luzerne County, Pa., to the Delaware, Lackawanna and Western Railroad and the Delaware and Hudson Canal companies, as security for the loan, and it was rumored that the coal companies had agreed to advance the money. The street was intensely excited over this evident new crisis in Erie. On May 23d a meeting of stockholders, the call for which had greatly excited Wall Street and caused the liveliest dealing in Erie shares that the Street had known for many a day, was held at Delmonico's, in Beaver Street. L. Bronell presided, and resolutions were adopted deprecating the purpose of the Company to mortgage its coal lands

to the Delaware and Hudson Canal and the Delaware, Lackawanna and Western Railroad companies to obtain money to pay its June interest, or on terms that must eventually result in their loss to the Company, as being a continuation of the wretched financial policy of borrowing money to pay interest which had brought the Company to the verge of bankruptcy. The resolutions recommended an assessment on the stock, to raise the needed money, and called on the Board of Directors to open books and invite stockholders to contribute toward this end and prevent the Company from going to protest. The Directors did not heed the call, nor is it likely the stockholders would have paid any great heed themselves to an invitation to step forward and send more good money rattling after bad.

In March, 1875, President Jewett, by direction of the Board, had sent Hon. Hugh McCulloch to London as the attorney of the Erie Railway Company, to endeavor to effect an amicable settlement of the dispute between the Company and James McHenry and the London Banking Association. After more than a month spent in fruitless negotiations to that end, Mr. McCulloch informed President Jewett that such a settlement was impossible. He was then instructed to resort to legal proceedings in the matter. Then followed President Jewett's showing of the account between the Erie Railway Company and the London financiers, the correctness of which the latter speedily denied to Mr. McCulloch, and the famous Erie-McHenry litigation was begun.

But the entire truth had not been told about Erie yet. On May 25th President Sloan and President Dickson, of the two coal companies mentioned, sent word to President Jewett that they had decided not to lend him the \$500,000 on the coal lands security, as counsel had advised them that there was doubt on the legality of the Erie's title to the property. A meeting of the Board of Directors was held at Director Barlow's Madison Avenue residence, on the evening of that day, and President Jewett announced the eleventh-hour decision of the coal companies. At the meeting previous to this one the Board had determined to individually provide for the June interest, and the President, at the meeting on the

25th, declared that he felt it his duty, before permitting any one to become involved in such a transaction, to acquaint the Board with the fact that the financial condition of the Company was extremely critical. The so-called second consolidated mortgage for \$15,000,000, which was negotiated at forty cents on the dollar, he declared fraudulent both of issue and in the method of its manipulation by James McHenry and the London Banking Association, and that no *bona-fide* holders had them; and even if there were *bona-fide* holders, the Company was only liable for the amount it had received for the bonds. The first consolidated bonds, \$12,076,000 outstanding, and the \$10,000,000 convertible gold bonds, were believed to be valid obligations. The annual rentals for lines leased by the Company was \$986,722.31, and liable to forfeiture unless paid when due. The outstanding unsecured debts due, and shortly to become due, were \$2,648,531.55, of which \$1,086,891.87 were due for wages, and \$635,809.89 for supplies. There were many suits pending against the Company, and judgments against it had been obtained in many others. The purchase of the coal lands was a violation of the charter and a just ground for forfeiture of it, although they had cost the Company thus far upward of \$1,000,000. The Atlantic and Great Western lease was also in violation of the charter, and should be adjudged void. The scrip dividend of February 11, 1869, and the Watson dividends of 1872 and 1873, he held were not earned, and consequently had been illegally declared, and that there should be an accounting. The current net income of the Company from the earnings had not for many years, at any time, been equal to the payment of the current obligations as they matured, and had been paid by borrowing money, which increased rather than satisfied the obligations. The Company had been insolvent for more than a year, and had not paid its current indebtedness, the net earnings having been, since July 14, 1874, only \$3,163,454.19. The current obligations during the same time were \$4,784,911. The floating debt had been somewhat reduced from \$5,000,000, as it stood on July 14, 1874; not by the earnings, but by applying the proceeds of the bonds sold or hypothecated at the sacrifice mentioned, and was therefore not

diminished, but really increased in amount. The wages of the employees had not been paid since March, and a wholesale strike of 12,000 men was threatened. The only available assets were \$100,000, nominal value, in bonds. There was imminent danger of hypothecated securities, on which \$1,405,000 had been borrowed, being sold at a sacrifice. There was interest due in June, amounting to \$553,190.40. The Company's obligations by October 1st, the end of the fiscal year, would be \$8,000,000, outside of the specified debts due and falling due, and the most liberal estimates put the earnings at only a little more than \$4,500,000 (\$4,581,271.94), near \$4,000,000 less than the expected liabilities. Even if the June interest were paid, the prospects of providing for the July interest were not promising, and he could see no way of it being made by the earnings of the Company. He said that it was a part of the plot against the Company and its credit to involve employees in a strike. Under all the circumstances, he was of the opinion that it would be better for the property to remain in the control of those who would seek to preserve it, and not pass into the hands of selfish conspirators, whose purpose would not be to regard the obligations and duties of the Company.

The result of the discussion of the subject was the adopting of a resolution that "in the judgment of the Board, if a Receiver of the property and assets and credits of the Erie Railway Company is to be appointed, Mr. Hugh J. Jewett is the most fit and proper person to be charged with the duty."

The Angell suit was still in the hands of Attorney-General Pratt. Early in May Wilbur M. Brown, law partner of the Attorney-General, and by his authority, had visited President Jewett at his office in New York, and announced that the Attorney-General felt that he must proceed at once, in case the rumor regarding the Company's prospective default on its June interest had foundation. President Jewett, having then assurances that the money would be forthcoming, had informed Mr. Brown that there was no probability of the default nor need of a Receiver, and declared that the parties pressing the Angell suit were stock-jobbers and Wall Street raiders. Brown thereupon told Jewett that no action

would be taken by the Attorney-General without he first informed the Erie President.

The Angell suit had Jay Gould at its back. Soon after it was begun, November 9, 1874, the Erie Railway Company brought suit against Jay Gould to recover \$420,000 claimed to be due from him by his default in a certain clause of the Watson "reparation" agreement. This action was still pending in May, 1875, and the case against Gould was understood to be a strong one. When it was resolved by the Erie Directors to apply for a Receiver, William Wallace MacFarland, of the firm of Shipman, Barlow, Larocque & MacFarland, suggested the taking by the Company itself of the Angell suit, amending the summons for relief, and applying, through the Attorney-General, for a Receiver on charges and allegations of that suit. This was agreed to. A conference was held between S. L. M. Barlow and Jay Gould. What transpired between them is one of the unrevealed Erie secrets, but there was no opposition made by Gould or any one else to the appropriating of the Angell suit by the defendants against whom it was originally brought, or to any of the proceedings that were begun through it, and early in 1876 Receiver Jewett applied to Judge Donahue for leave to settle the above action against Gould, he having signified a willingness to remove mortgage liens upon Erie property conveyed to the Company by him, and deliver to the Receiver \$350,000 in the mortgage bonds of the Northern Central Railroad, and \$50,000 in the stock of the Suspension Bridge and Erie Junction Railroad, on which stock, by its lease of that road, the Erie Railway Company stood as guarantee for the interest or dividends at the rate of seven per cent. per annum, which guarantee alone made the stock of any market value, it being worth at the time only about twenty cents on the dollar. To the Erie, however, Mr. Jewett said, this stock was worth more than that, owing to the connecting relations between the two roads.

May 26, 1875, at a Special Term of the Supreme Court of New York, at the Court House in New York City, the appropriated Angell suit came up for a hearing before Judge Charles Donahue. The suit was called "The People of the State of New York, plaintiff, against the Erie Railway Com-

pany, Hugh J. Jewett, Thomas A. Scott, John Taylor Johnston, Marshal O. Roberts, Frederick Schuchardt, William Butler Duncan, Edwin D. Morgan, Herman R. Baltzer, Samuel L. M. Barlow, H. W. Meyer, Henry G. Stebbins, R. Suydam Grant, Lucius Robinson, John A. C. Gray, Cortlandt Parker, and Homer Ramsdell, Directors; and J. C. Bancroft Davis, W. S. Gregory, Farmers' Loan and Trust Company, John Earl Williams, Jay Gould, C. T. Hunter, William Butler Duncan, Horatio N. Otis, Cornelius Walsh, John Toucey, Zenas H. Russell, Coe F. Young, Dorman B. Eaton, Augustus Frank Lawrence, C. Woodruff, John A. C. Gray, and Legrand Lockwood, defendants, as Trustees under the various mortgages." Wilbur M. Brown appeared on behalf of the Attorney-General to represent the plaintiff, and William Wallace MacFarland for the defendants. On these proceedings Hugh J. Jewett was appointed Receiver by Judge Donahue. Mr. Jewett filed the required bonds in \$500,000, S. L. M. Barlow, Homer Ramsdell, and Edwin D. Morgan qualifying as his sureties. The compensation of Mr. Jewett as Receiver was fixed at \$40,000 a year.

Quickly following Judge Donahue's order the following was issued, on the same day, from the Erie general offices, and the Company's second career as an acknowledged bankrupt began:

#### RECEIVER'S ORDER, NO. 1.

The undersigned having been duly appointed Receiver of the Erie Railway, its branches, and leased lines, has this day assumed the control thereof, and of the equipment, material, and all other property and assets belonging thereto. All officers, agents, and employees will continue in the discharge of their respective duties as heretofore, until otherwise ordered.

H. J. JEWETT, *Receiver*.

Erie stock had fallen from 36 on July 14, 1874, to 16¼ on May 25, 1875—the deepest in the mud of Wall Street this foot-ball of speculation and speculation had been trampled since the luckless days of Charles Moran.

#### III. CAREER OF A BANKRUPT.

The default of the Erie Railway Company, and the turning of its affairs over to a Receiver, caused

the utmost agitation among the foreign proprietors, and many of them in London affected to be amazed, although it was an event that might easily have been discounted, on the strength of preceding rumors. Their alarm was particularly grounded on the allegation in the suit on which the Receiver was appointed that the second consolidated mortgage bonds were a fraudulent issue, fraudulently placed; that none of them was in the hands of *bona-fide* purchasers, and that even if such were the case the Company was liable only in the amount it had received from them, something less than one-half the outstanding charge. This possible extinguishment of \$15,000,000 of obligations at one blow, taken in connection with the altogether wretched showing of the Company's financial and physical condition as promising any return in the future for the investment that might be left intact, was such an unheard-of reward for their having responded, only the year before, to the Company's distressful appeals—although at a tremendous “shave”—that the English bondholders clamored loudly for the taking of summary proceedings for redress. The shareholders, now fully confirmed in the belief—which by this time would have needed no further confirmation to less credulous persons—that the slops which had been thrown to them in 1872 and 1873 in the shape of dividends were simply abstracted from their own property and returned to them, and seeing their shares sunk to scarcely a nominal price in the market, with no visible prospect of their ever again rising to even a respectable showing, clamored more loudly than the bondholders for redress. The foreign proprietors had the power to foreclose at once if they so decided, as they owned all of the first and second consolidated mortgage bonds, and most of the fifth mortgage bonds. In truth, Mr. O. G. Miller, of Dundee, Scotland, one of the largest holders of Erie securities in Great Britain, and especially of the securities in default, did take steps in Scotland toward a hostile foreclosure, but was induced to suspend proceedings to await subsequent events.

According to an inventory of the property of the Company, taken under an order of court issued by Judge Donahue May 26, 1875, the valuation of it was placed at \$40,000,000, in round numbers, and

\$60,000,000 including bonds. The inventory was taken by Col. George F. Balch. In its original form it filled 120 large volumes. These were reduced to nineteen folio volumes, which were condensed into three volumes, of enormous size, for the use of the Supreme Court. The work cost \$100,000. Every possible bit of property imaginable was taken into account, even to the number of spikes in the 1,800 miles of track, which number was recorded in all seriousness and solemnity as 21,600,000. The inventory was not completed until August, 1877.

June 9, 1875, the Farmers' Loan and Trust Company of New York, one of the defendants in the Receivership action, filed an answer to it and obtained an order from Judge Donahue extending the Receivership to mortgages held by the Trust Company. June 15th the Trust Company brought suit against the Erie Railway Company, and James Brown and J. C. Bancroft Davis, as Trustees, to have the mortgage which they held foreclosed. On the same day J. C. Bancroft Davis, as Trustee, began a suit to foreclose the fifth mortgage and the mortgages supplemental thereto. Judge Donahue extended the Receivership in both of these suits, appointing Hon. James C. Spencer Referee in the Davis action, to pass, decide, and report on the accounts and vouchers and doings of the Receiver, and to take testimony for the use of the Receiver in the management of the questions that might arise during the Receivership. December 21, 1875, Judge Donahue issued an order in the suits of the People, the Trust Company, and the Brown-Davis suit, ordering Referee Spencer to report on the accounts and doings of the Receiver in the People's suit so far as already examined, to cover the questions of final accounting and discharge of the Receiver and release of his bondsman in that suit, “it being understood the same was about to be discontinued”; also the costs and allowances and compensation and expenses to be paid by the Receiver to defendants as trustees, and to others who appeared in the People's suit, and also the charges of the Referee for services.

In this country some feeble attempts were made to interfere with the turn affairs had taken, chiefly under the direction of a ridiculous, fussy, and meddling person named John Livingston, although

Col. Sylvester H. Dunan, the Auditor of the Company under Watson, whose revelations as to the dividends precipitated the downfall of that administration, came to the surface once more as a protestant, and as quickly disappeared. In May, 1875, an act was passed by the New York Legislature amending the act of April, 1872, by which amendment the time for holding the annual election for the Erie Directors was changed so that after the election of July, 1875, no elections should be held until November, 1876, and in November every year thereafter. This was to bring the election soon after the end of the fiscal year, instead of three months before it ended. John Livingston saw danger in this, and, as the self-appointed representative of what he called the Erie Protection Committee of London, he got together twenty-five stockholders of the Company on July 12, 1875, and declared to them that the ensuing election of July 14th must be carried against the Jewett management. This incident has no importance in this history, only through the fact that it resulted in the first contest in an election for Erie Directors that had occurred for many years. The opposing ticket was made up as follows: Cornelius Vanderbilt, William H. Vanderbilt, William K. Vanderbilt, Moses Taylor, Percy R. Pine, J. E. Burrill, D. R. Pearson, William L. Clinch, George J. Whitney, Samuel Sloan, Francis K. Thurber, Charles K. Dyer, Samuel F. Berger, Augustus Schell, Chester W. Chapin, E. N. Hollinger, G. A. Hollinger.

Livingston appeared at the election. S. L. M. Barlow offered to vote on proxies for 236,000 shares, and was challenged by Livingston. The inspectors, ex-Judge William D. Shipman, George Ticknor Curtis, and James H. Fay, overruled the challenge, as they did the challenge of ex-Governor Morgan, who voted on 5,000 shares. The Jewett ticket received 251,735 votes, the opposition casting 750. The following was the first Board elected under the Receiver:

George F. Tallman, Henry G. Stebbins, Samuel Sloan, Marshall O. Roberts, Edwin D. Morgan, John Taylor Johnston, Hugh J. Jewett, R. Suydam Grant, New York; Herman R. Baltzer, Staten Island; John B. Brown, Portland, Me.; Thomas Dickson, Scranton; Solomon S. Guthrie, Buffalo;

Giles W. Hotchkiss, Binghamton; Asa Packer, Mauch Chunk; Homer Ramsdell, Newburgh; J. Lowber Welsh, Philadelphia.

Livingston immediately issued a circular to the stock and bondholders declaring that the election was illegal as to Packer, Guthrie, and Dickson, because they were not stockholders under the law, and he notified the Directors that he would contest the election in the courts. The motion to set aside the election was made before Judge T. E. Westbrook August 13th, after one adjournment, and Judge Westbrook promptly denied the motion, which was the end of the Livingston attempt to overthrow the Erie management.

Dunan's effort to revolutionize the affairs of the Company was based on the Receiver's monthly reports, which Dunan declared were misleading. They might have been so, but the question was not one that seemed to interest the public, far less one that excited it, for the public had long since given over the task of attempting to unravel the distracting mysteries of railroad reports. However, the alleged insincerity of the Receiver's statements rased the sensitive soul of Dunan, and, through one J. Warden Gedney, a meeting of persons interested was held September 20, 1875, to consider the Dunan allegations. Dunan was present, and on the strength of his remarks it was resolved that foreclosure proceedings should be brought at once on the sterling bonds, then due, so that the property might be placed in the hands of its true owners, the bondholders. It was further resolved that B. H. Cheever, S. P. Dinsmore, and T. N. Matthews be a committee to see this done, and to retain Charles O'Connor and Dexter A. Hawkins to do it. It is not on record anywhere that they ever did it.

But the disturbed condition of things among the English stock and bondholders was tending toward events of a nature to arouse more serious apprehension in the minds of the Receiver and his advisers than these ridiculous outbreaks in New York could possibly excite, and if the affairs of the Company were to be conducted to the issue contemplated by Receiver Jewett, it was not only plain, but entirely necessary, that amicable relations must, as soon as possible, be induced between the justly agitated for-

eigners and the Directors in the new order of things in Erie, so that all interested might work in harmony toward a common end.

The revelations as to James McHenry and Bischoffsheim & Goldschmidt, regarding their stewardship or handling of Erie financial affairs entrusted to their disposition, and as to the Atlantic and Great Western entanglements, had removed those individuals signally from the confidence of foreign investors, and the management of the latter's interests was no longer entrusted to them. Sir Edward Watkin, M.P., a man experienced in railroad financiering and management, was selected by the London Committee of Erie bond and shareholders as Chairman, and he was commissioned to come to this country, investigate, consult with Receiver Jewett, and report to the Committee what measures it was best to take to protect and preserve foreign rights in the Erie Railway Company. It was through the mediation of Sir Edward that the impatient Scotch bondholder, Mr. O. G. Miller, was induced to defer his hostile foreclosure proceedings, and to subsequently become conspicuous in efforts to bring about an amicable settlement.

Sir Edward Watkin arrived in New York early in August, 1875. Unable, owing to an accident to Receiver Jewett—who had been recently thrown from his carriage, by which mishap his right leg was broken—to have an interview with him, Sir Edward made a leisurely tour of the Erie lines and the Atlantic and Great Western system, informing himself thoroughly upon their condition and needs. He was in this country until October, when he returned to London to make his report.

September 30, 1875, Judge Donahue granted an order authorizing Receiver Jewett to take such action as he might deem advisable to accomplish the purpose set forth in an affidavit made by Charles G. Barber, Secretary to the Receiver, the purport of which was to recognize the interest of the foreign bond and shareholders, so that the bondholders might have a voice in the formulating of such plans as would best tend to aid the Receiver in his duties and hasten the rearrangement or reorganization of the Company, and in the expenditure of the net earnings that otherwise would be applied to the pay-

ment of the interest in default on their holdings, such voice to be heard through a committee representing such bondholders or bond and shareholders, whose advice the Receiver should consult in the expenditure of such earnings; that the committee might open an office in London, necessary to their duties, their expenses to be paid by the Receiver out of his funds, and make a monthly report of the earnings and expenditures; that the laws of New York be so amended as to permit the foreign bond and stockholders a representation from their number in the Board of Directors; that the Receivership should be terminated as soon as the Company could be relieved of its unjust and fraudulent engagements, originating in former managements—by negotiation, if possible, or, failing in that, by foreclosure; that Mr. John Morriss, legal adviser of Sir Edward Watkin and the London Erie Committee, be associated with the counsel of the Erie Railway Company and the Receiver in the undertaking. This was a concession toward recognition of the rights of the foreign proprietors and creditors that was wise and judicious, saved much annoying and expensive litigation, and was intended to hasten the time when the Company's affairs might be placed in a condition to be safely, prudently, and efficiently conducted by a corporation.

John Morriss made his report to the English bond and stockholders October 18th, and it was another discouraging event in the long list of discouraging events in the history of their investment in Erie, indicating, as it did, heavy sacrifices to be made by them, one of which was that as the fixed charges of the Company exceeded the net earnings by \$1,000,000, they would have to subordinate their claims to such charges and to the floating debt. Sir Edward Watkin accompanied Mr. Morriss's report with an extended address, in which he reviewed the past managements of Erie, to their great disadvantage, and criticised freely some of the acts of President and Receiver Jewett, but summed up with a hopeful view of Erie and confidence in its future, if the Company could be put on its feet again and in the hands of honest and capable management.

Soon after the report, the Erie bondholders in London appointed a Committee of Consultation to

prepare a scheme of reorganization. On December 3, 1875, Judge Donahue granted an order authorizing Receiver Jewett to remit \$10,000 to John Morriss, in London, for the purpose of prosecuting the claim of the Erie Railway Company against James McHenry and the London Banking Association for \$1,000,000 each.

The proceedings in equity to foreclose on the fifth mortgage against the Erie Railway were begun in the court of Pike County at Milford, Pa., December 24, 1875. H. J. Jewett was appointed Receiver, with bonds at \$50,000, similar proceedings having been begun in New Jersey and New York City in November. These were amicable suits brought by the Farmers' Loan and Trust Company and the Trustees of Erie mortgages.

Sir Edward Watkin submitted to the English proprietors of Erie, on December 16th, a scheme to be carried out under foreclosure by a committee of which Governor Samuel J. Tilden was to be invited to take the Chairmanship. The plan proposed to give the bondholders the voting power until the position of the undertaking was retrieved, and the fixed liabilities reduced to a level with the net revenue, by reducing onerous rent charges and the engagements of interest on the first and second mortgage bonds, as follows:

Holders of the former and of the sterling 6 per cent. bonds to receive mortgage bonds of the same class for interest at the existing rates to March 1, 1876; thereafter until 1880 the interest to be payable in gold at 6 per cent., and after that time at 7 per cent., the Company being entitled to redeem prior to 1880 at 105 for Erie second mortgage, including the convertible gold bonds. Two classes of gold sterling mortgage bonds, running ninety years, were to be substituted, the first for 60 per cent. of the principal, carrying interest at 6 per cent. and payable in bonds of the same class from the date of default, until March, 1877, and thereafter in gold; the second for 40 per cent. of the principal, carrying 4 per cent. interest, and payable only out of net earnings until 1881, and thereafter 5 per cent.

The dividend on the preferred stock was to be reduced to 6 per cent. Assessments were to be carried at the rate of three in the hundred on the pre-

ferred stock, and six in the hundred on the common stock, shareholders to receive for the amounts thus paid third mortgage bonds to bear 5 per cent. interest, payable only from the net earnings, and also shares in the reconstructed Company.

This scheme was adopted in principle by the bondholders in London at a meeting held January 4, 1876, subject to modifications to be made after consultation with the Receiver and the American bond and stockholders. A committee was appointed and empowered to execute the scheme. O. G. Miller and Robert Fleming, of Dundee, Scotland, were made this committee. They undertook the task, and sailed for New York on January 30, 1876. Thomas Dickson, Samuel Sloan, and E. D. Morgan were appointed a special committee to confer with Messrs. Fleming and Miller during their stay in this country, and negotiate the terms of the reorganization scheme.

The representatives of the London Committee arrived at New York the first week in February, and about the middle of March the scheme, with modifications and additions, was agreed upon and forwarded by Messrs. Fleming and Miller to London to be submitted to the foreign bond and shareholders. The plan seems not to have been yet in form to meet the approbation of all parties, for it was still in abeyance in July, 1876, when Receiver Jewett was in London, having gone abroad both on account of impaired health and in connection with the affairs of the Erie Railway Company. He addressed a meeting of stock and bondholders in London July 13th, and made suggestions as to further modification of the reorganization plan. Soon afterward the plan was perfected to the satisfaction of the foreign contingent in interest, for it received the necessary signatures there August 28, 1876. The signatures necessary in this country to make the contract valid were not attached until January 15, 1877. With the exception of its legal verbiage, terms, and repetitions, the plan upon which the amicable reconstruction of the Erie Railway Company, and the winding up of its memorable and by no means savory career, were effected, was as follows:

There was to be no reduction of interest on the first consolidated mortgage bonds; the sterling 6 per cent. bonds to bear that interest up to September 1,

1875, and 7 per cent. after that date; the first consolidated bonds to fund their coupons of September 1, 1875, March 1, 1876, March 1, 1877, September 1, 1877, September 1, 1878, and September 1, 1879; coupon bonds to be issued in exchange for the funded coupons, payable in gold September 1, 1920, with 7 per cent. interest, and to be secured by a deposit of the funded coupons, the interest to date from September 1, 1877, on their entire amount. The coupons of the first consolidated mortgage bonds falling due September 1, 1876 (but to be paid on December 1, 1876), March 1, 1878, March 1, 1879, and March 1, 1880, to be paid in cash, the reconstruction trustees having power, at the request of the Receiver, to extend the time of paying the first coupon to March 1, 1877; the six coupons of these bonds intended to be funded to be forthwith deposited with the Reconstruction Trustees and receive in exchange certificates representing them, pending the preparation of the new coupon bonds, thus signifying their assent to the arrangement.

The second consolidated mortgage bonds to fund their coupons as follows: Ten half-yearly from June 1, 1875, to December 1, 1879, inclusive, the coupons to be funded at the existing rate of interest on the bonds, 7 per cent., and funded coupon bonds to be issued in the amounts bearing interest at the reduced rate of 5 per cent. from December 1, 1877, to June 1, 1883, and thereafter at 6 per cent., the Reconstruction Trustees having power to postpone for six months the payment of the first coupon on these bonds, falling due June 1, 1878, at the request of the Receiver.

The principal of the second consolidated and gold convertible bonds to be represented by new second consolidated mortgage bonds at 6 per cent. from December 1, 1879, and maturing December 1, 1909, the funded coupon bonds to mature at the same date. The second consolidated and gold convertible bonds to be deposited, with all coupons attached, with the Reconstruction Trustees, for exchange for certificates pending the conversion of the new securities.

The property to be foreclosed, and the Trustees to buy the railroad in with such bonds and coupons thus deposited with them as might be advisable, a

new company to be formed, the foreclosure to be obtained under one or more of the existing mortgages best to carry out the scheme.

One-half the shares of the new company to be issued in the names of one or more sets of Trustees, to be called the Voting Trustees, who should hold them for voting upon them until dividends had been paid on the preferred stock three consecutive years, certificates to be issued for the same, entitling the holder to receive all dividends declared on the shares held in trust; the Voting Trustees to be named by the Reconstruction Trustees, and empowered to fill their own vacancies, each Voting Trustee to be a substantial bondholder at the time of his appointment, and to resign in the event of his ceasing to be such.

The dividend power of preferred stock was reduced from  $7\frac{1}{2}$  to 6 per cent., payable in currency, and dependent on the net earnings, each shareholder to be admitted to the new Company, share for share, preferred for preferred, and common for common, but conditional on the payment of \$3 gold per preferred share and \$6 gold per common share, on or before March 1, 1877, the shareholders making such payments to receive for the amount non-cumulative income bonds, without mortgage security, payable in gold on June 1, 1877, and bearing interest from December 1, 1879, payable in gold at 6 per cent., dependent on the net earnings. Shareholders had the option to pay on or before March 1, 1877, \$2 gold per preferred share, or \$4 per share for common, then to be admitted to the new company without receiving income bonds, a further and final period to be fixed for the payment of assessments beyond March 1, 1877, but after that date an additional charge of 7 per cent. on assessments was to be made; new shares to be issued to the amount of all shares in default, to be disposed of for the benefit of the new Company. (The date of this provision was subsequently changed to March 31st, the additional assessment made 10 per cent., and time for coming in on the reorganization fixed at six months from that date.)

All the new bonds were to be payable in London and New York, and to carry voting powers according to law, and made payable to bearer or registered in names of holders at their option. The cost of

reconstruction and foreclosure and all expenses necessary in carrying out the scheme were to be paid out of the moneys to be raised by the scheme, or as the Trustees might determine.

Reconstruction Trustees for the first consolidated mortgage and 6 per cent. sterling bonds were O. G. Miller, H. Rawson; for the second consolidated mortgage and convertible gold bonds, J. K. Cross, M.P., J. Westlake, Q.C.; for the shareholders, P. McLogan, M.P., B. Whitworth, M.P. Independent Trustees, not representing any special interest, were Sir Edward Watkin, M.P., with a casting vote, and Z. W. Powell. The scheme was subject to modification in the judgment of the Reconstruction Trustees, and was signed as follows:

E. W. Watkins, M.P., *Chairman*; Cecil Beadon, K.C.S.; J. K. Cross, M.P.; Philip Rose, O. G. Miller, T. W. Powell, B. Whitworth, M.P.; J. Westlake, Q.C.; Henry Rawson, P. McLogan, M.P.; Robert Fleming, Lawrence Hayworth, J. M. Douglas, W. Leeming, W. Weir, J. C. Conybeare, A. H. Moncur.

Signed in London, August 28, 1876; in New York, January 15, 1877, for the Farmers' Loan and Trust Company, agents of the London Reconstruction Trustees, by R. G. Rolston, President.

Before any substantial movement had been made toward the formulating of a plan, September 10, 1875, S. L. M. Barlow offered his resignation as a Director, and Mr. Jewett advised its acceptance. Mr. Barlow, owing to his relations with McHenry, although they had then ceased, was not acceptable to the existing foreign sentiment in regard to Erie management. Marshall O. Roberts resigned at the same time. John P. Brown, of Portland, Me., and J. Lowber Welsh, of Philadelphia, were elected to the vacancies. Mr. Brown represented the interests of the Grand Trunk Railway Company.

In the spring of 1877 James McHenry, becoming convinced that Receiver Jewett was determined to push the proceedings against the London Banking Association, Bischoffsheim & Goldschmidt, and himself, came forward and began an aggressive counter campaign against the Receiver. As early as May 10th he made a fierce attack on him at a meeting of his adherents at Guildhall Coffee House,

London, charging him with mismanagement, corruption, and duplicity. Going further, he sought once more the aid of Gen. Daniel E. Sickles, and a plan to oust the existing management and turn the Erie Railway Company once more over to the control of McHenry was formed. Originally this was intended to be a *coup* similar to the one of 1872, but there was different material in the Board of Directors, and that line of action was abandoned. Early in September rumors were abroad that General Sickles was to succeed Jewett as Receiver of the Erie Railway Company, and it was noticed that ex-Auditor Dunan was again in evidence as an expert in the best way to put Erie on its feet.

According to the story of Joseph W. Guppy, before the Legislative Investigating Committee of 1879, General Sickles, October 1, 1877, sent one Charles O'Day to him with a request that Guppy should call on the General. Guppy called, and General Sickles brought up the subject of the proposed movement against the Jewett management, and endeavored to enlist Guppy in it. He declined to have anything to do with it. Sickles said to Guppy that if he would join them "and they were successful, they would divide the swag with him"; that "the parties in power had not quite stolen everything there, and there was something left, probably enough for all." Guppy persisted in his refusal to join the Sickles party.

Subsequently he told H. D. V. Pratt what Sickles had solicited him to do. Pratt, in a conversation with Gould later on, repeated the information to him. On the morning of the day after Christmas, 1877, Gould sent Giovanni Morosini, his private secretary, to Guppy, requesting the latter to call at his office. Guppy did so.

"Guppy," said Gould, "if you will appear in behalf of the Jewett interest against the Sickles raiders, and testify as to what they have offered you to come in and aid them, Mr. Jewett will take that \$10,000 in National Stock Yard stock and pay you par for it. With your testimony we can defeat the Sickles party and send them to State prison."

Guppy held \$10,000 in National Stock Yard stock, which, in 1877, had little intrinsic value. It had been given him on the formation of that company

by Gould, in 1870, in lieu of an increase in his salary as Assistant to the General Superintendent. Guppy was in poor health in 1877. He declined to accept Gould's proposition because, for one reason, of the precarious state of his health, and, for another, that he did not care to be mixed up in the matter. Gould tried to induce him to change his mind, and failing in that, threatened to have Guppy examined *ex-parte*, and compelled to give his evidence.

"Do not allow that to be done," said Guppy; "I am sick, and do not want to be worried."

"It is too late for me to interfere in the matter," replied Gould. "You had better do it cheerfully. Otherwise you cannot sell your stock."

"Mr. Gould," insisted Guppy, "you must keep them away from me in this matter."

"I cannot control it now," repeated Gould.

"Then," exclaimed Guppy, rising to take his leave, "I tell you that for your own good you had better keep them away from me! And, young man," said Guppy significantly, "you know what that means!"

Through counsel in the case, as well as H. D. V. Pratt, and by means of detectives, Gould continued his efforts to induce Guppy's aid for the Jewett side of the affair, but without success, and the inside history of the Sickles raid never got into the courts.

On March 22, 1877, the old suit of the Erie Railway Company, brought in July, 1870, by Gould and Fisk, to recover from Cornelius Vanderbilt the millions paid him in making the settlement by which the Erie escaped from the Drew-Vanderbilt war of 1868, and in which suit the plaintiff was defeated by a decision in Judge Barnard's court in January, 1871, came to the surface again. The case had been appealed by the Railway Company to the General Term of the Supreme Court, and in October of that year that court reversed the Barnard judgment. Vanderbilt took the case to the Court of Appeals, where the General Term was sustained. Pending a retrial of the case, it was settled out of court to the satisfaction of Vanderbilt, who, it was charged, was interesting himself in the opposition to the Jewett management.

The Farmers' Loan and Trust Company, in the preliminary suits tending toward the reorganization

of Erie, had acted in its capacity of trustee of the first consolidated mortgage, in conjunction with J. C. Bancroft Davis and others, as trustees of the fifth mortgage. On September 24, 1877, however, the Trust Company entered proceedings to press judgment in foreclosure under the claims of the holders of the second consolidated mortgage bonds. This opened the way for long, expensive, tedious, and complicated litigation, which James McHenry and his coadjutors were quick to take advantage of. Acting on the proceedings taken September 24th, Judge Charles Donahue, in Supreme Court Chambers, New York, November 7, 1877, granted a decree of foreclosure in the suit of the Farmers' Loan and Trust Company. The old bonded debts of the Company, the mortgages on the New York and Erie Railroad, were in amount: First mortgage, \$2,482,000; second, \$2,174,000; third, \$4,852,000; fifth, \$709,500. The new mortgages were as follows: Sixth, made to the Farmers' Loan and Trust Company, \$16,656,000, on which \$2,573,245 in interest was due; seventh, containing two parts, one for \$10,000,000, and the other for \$15,000,000, on which \$1,898,020.80 and \$2,855,312.50 in interest became due on November 1st. The amount due by the Company on these accounts was \$62,167,078.30. The place of sale of the property was fixed at New York City, date to depend on the close of the auxiliary suits in New Jersey and Pennsylvania. George Ticknor Curtis was appointed Referee to sell the property. The sale was to be for cash, and subject to the Receiver's contracts. Agents having been appointed by the Bondholders' Committee to form a new Company under the law of New York State, the decree authorized the sale of the Erie Railway Company's effects to the new corporation, provided it was the highest bidder. The accounts of the Receiver were to be audited and passed upon by ex-Judge James C. Spencer, the amount found to be due the Receiver to be a first lien on the property, the Receiver having authority, also, to take bonds and coupons at their face value from the new Company for the amounts due him. The date of sale was subsequently fixed and advertised for January 21, 1878, at the Merchants' Exchange, New York, at 12 o'clock, noon.

November 14, 1877, Judge Spencer had made his report to the court as Referee in the Receivership, under the order of Judge Donahue of December 21, 1875. Later in the month there were rumors that Attorney-General Fairchild would take measures to interfere with the proceedings on the ground that Jewett had been appointed in an irregular manner, and had paid William M. Brown, of the Attorney-General's office, \$5,000 for making the affidavit on which Attorney-General Pratt had made the appointment. This rumor proved not to be true, but was an emanation from the McHenry camp, which was in charge of Gen. Daniel E. Sickles. There was this much of a disturbing element in the bearing of the Attorney-General, however. The original suit of the People against Jewett and the management of the Erie Railway Company (the Angell suit) was discontinued under written stipulation of Attorney-General Pratt, November 25, 1875. When the matter was brought to the attention of his successor, Charles S. Fairchild, after the decree of foreclosure, the new Attorney-General was unable to find an order of discontinuance on record. December 24th he wrote Referee Spencer from Albany, saying that he had been requested by the attorneys of the Erie Railway Company and of Receiver Jewett to discontinue the action of the People against that Company. He said that he had also been requested by counsel representing stockholders and bondholders of that Company not to discontinue the action without examination of the plaintiffs into the Receiver's accounts. "I see that the plaintiffs do not appear to have had any notice," he wrote, "of the proceedings before you as Referee, or to have been represented upon any hearing. I deem it my duty to examine into the Receiver's doings before giving my consent to the discontinuance of the action and the Receiver's discharge. I have requested Messrs. Barlow & Olney to represent me in this, and arrange with the various parties for an examination before you in the matter."

At a hearing held in New York City, in pursuance of this request of the Attorney-General, on December 27, 1877, all parties being represented by counsel, and the proposition being opposed by the defendants in the various cases, Trustee Spencer decided

to reopen the reference, considering his report as being cancelled, and giving the plaintiffs a hearing in the new examination of the Receiver's accounts and vouchers.

But long before Attorney-General Fairchild had come to the aid of the plaintiff in the Angell suit, James McHenry had set his forces working. On November 24, 1877, counsel for James McHenry, John Henry Brown, and Charles Frederick Evans, English bondholders, began suit in the Supreme Court of Monroe County, N. Y., at Rochester, against the Erie Railway Company, the Farmers' Loan and Trust Company, and others. The plaintiffs claimed to be the owners of \$91,000 of the first consolidated mortgage bonds of the Company, and the purpose of the suit was to demand an accounting on the first consolidated bonds and for the overdue interest on them; the removal of the Farmers' Loan and Trust Company as Trustees, and the appointment of another; the forfeiture of the Trust Company of all right to compensation for its services; and an injunction restraining it and others from proceeding further with the reconstruction of the Erie Railway Company, the appointment of a receiver pending the suit, and the foreclosure of the first consolidated mortgage and sale of the Company's property in entirety. The complaint in this case charged the Jewett Receivership with being illegal, corrupt, oppressive, and coercive. Similar suits were brought in New Jersey and Pennsylvania.

November 27th the old Board of Directors was reelected by a vote of 548,802 to 29,929 for scattering candidates. December 7th, before Judge Donahue, the Farmers' Loan and Trust Company answered the charges made by James McHenry, John Henry Brown, and Charles Frederick Evans in the suit brought by them in the Supreme Court at Rochester, entering a denial of them all, and asking that the plaintiffs be enjoined from further proceedings. Judge Donahue issued an order on the plaintiffs, citing them to show cause why they should not be permanently enjoined, and pending the decision on that order, stayed the proceedings brought in Monroe County.

The new Erie litigation brought into the Supreme Court Chambers, before Judge James T. Brady, such

an array of counsel as few causes had ever summoned together at any one time in New York City or elsewhere. On December 23d, in behalf of the English Bondholders' Committee, appeared Secretary of State William M. Evarts, ex-Judge Comstock, and Amos A. Redfield. Turner, Lee & McClure represented the Farmers' Loan and Trust Company. Joseph Larocque and William Wallace MacFarland appeared for the Erie Railway Company, and Dorman B. Eaton was present to guard Receiver Jewett's interests. The McHenry party's counsel were ex-Judge Emott, Burnett & Hammond, Aaron J. Vanderpoel, Gen. Daniel E. Sickles, ex-Judge Ashbel Green, Hon. Daniel Dougherty of Philadelphia, Henry Arden, and Dunning, Edsall, Hart & Fowler. This latter firm appeared simply to argue a motion to compel Receiver Jewett to permit an examination of the books in regard to the last election for Directors, and show cause why he should not be removed. Affidavits which, metaphorically, threshed over all the old straw of the alleged illegal Receivership, its mismanagement, and the collusive acts under it, and counter-affidavits denying them, were read. The hearings and arguments on these and a multitude of similar actions, all exhibiting the resourcefulness of McHenry and his lieutenants—chief among them being James A. Reilly, not personally eminent, but useful to his long-time chief beyond calculation—and all, while based on strong technical points of law and urged by some of the best legal minds of the day, palpably the creatures of personal disappointment and private vengeance. They were prosecuted and defended with vigor, as were the numerous counter-suits, the ultimate result being in favor of Receiver Jewett. These being civil suits, and their matter threadbare and musty, they had but small interest to the public, but in January, 1878, the tactics of the opposition assumed a more dramatic character, and enlivened the litigious events of the Erie as of old.

Frank Platt, claiming to be an English stockholder in the Company, was selected as the medium through which this move was to be carried forward. He made affidavit that on November 23, 1877, Receiver Jewett had sworn to the annual statement of the Company as being true in every particular; that

the amount of the funded debt of the Company at that date was \$54,271,844; the floating debt, \$1,887,216.11; and the amount of interest paid on the funded debt for the year covered by this report was \$3,807,764.50, whereas, according to the Platt affidavit, which was based on the affidavits of Charles Barrett and Alexander Robertson, experts in railway accounts, who claimed to have examined the Erie books under an order of the Supreme Court, the funded debt of the Company was actually \$63,324,367.47; the floating debt, \$4,861,533.86, and the interest paid for the year was only \$786,673, instead of \$3,807,764.50. Platt charged that Jewett had sworn to the statement, knowing that it was false, with intent to deceive the bondholders and stockholders of the Company. Ex-Judge William A. Beach was Platt's chief counsel. Information that such a complaint had been made before Police Justice Bankson J. Morgan, at Jefferson Market Court, was received by Mr. Jewett, and on the morning of January 30th he drove with his counsel, Dorman B. Eaton, to that court and appeared informally before Judge Morgan. Thus the issuing of a warrant for the Receiver's arrest was made unnecessary. Mr. Eaton demanded an examination in behalf of his client, and February 5th was fixed by the court as the day of such examination.

Mr. Jewett explained the discrepancies in the figures of the statement he had sworn to and the figures as presented by Platt by the declaration that the former did not show the amount of interest paid, but the amount of interest payable, the Receiver having so construed the requirement of the statute in that respect. As to his statement in regard to the debt of the Company, Mr. Jewett said that it would be for experts to determine whether it had been understated, as "the charge seemed to rest on details of book-keeping, too complicated for ready explanation, and requiring experts to show upon what facts the returns in that regard should be based."

Stephen Little, then Auditor of the Company, declared, in an affidavit, that the declarations of Accountant Robertson were false in every particular, and that although the Receiver's books had been thrown open to him, he was incompetent to the task

of ascertaining the truth from them, and that Barrett's affidavit was also based on wrong premises and was thus misleading. These experts had examined the books on the order of court granted in the suit of Isaac S. Fowler, December 15, 1877.

February 5th Receiver Jewett appeared at Jefferson Market Police Court, with his counsel, ex-Judge Fullerton, Dorman B. Eaton, William Wallace MacFarland, and ex-Judge Comstock, and accompanied by Thomas Dickson, President of the Delaware and Hudson Canal Company, ex-Governor Edwin D. Morgan, Marshall O. Roberts, J. Lowber Welch, of Philadelphia, J. D. Ayer, Secretary of the Reconstruction Trustees of London, and other distinguished persons. Ex-Judge Fullerton said his client would waive examination and give bail for appearance at court. Ex-Judge William A. Beach objected strenuously. Judge Morgan decided that he would hear argument further on the question, and postponed it until February 6th. At the hearing on that day Judge Morgan decided that his duty was to proceed with the examination. Mr. Fullerton requested the justice to fix bail then, as Mr. Jewett had bondsmen present who desired to qualify. Judge Morgan refused to fix bail before the examination was held. Ex-Judge Comstock, of Jewett's counsel, then left the court-room. The hearing was proceeded with. Exciting examinations of witnesses were had. It was evident from the dilatory interferences and objections of Mr. Fullerton that the departure of Judge Comstock was to have a sequel, and that it would be of no effect if it did not appear before the examination was over. Judge Fullerton was cross-examining Robertson, one of the experts, when there was a bustle at the door, and Lawyer Joseph Stiner entered in haste, and waving a paper in his hand, exclaimed:

"Your Honor, I have here a writ of certiorari and habeas corpus, issued by Judge Donahue, commanding the appearance of Hugh J. Jewett before him at Supreme Court Chambers at 1 o'clock to-day."

This rather dramatic interruption brought the proceedings to a close, and Judge Morgan adjourned them until 10 o'clock next day. In the proceedings on the writ of habeas corpus before Judge Donahue, John R. Fellows argued the case for Receiver Jewett.

Judge Donahue withheld his decision, and the examination of Mr. Jewett in the police court was further adjourned pending the result. February 7th Judge Donahue decided that Judge Morgan must either commit, discharge, or hold to bail in the case. The order was served on Judge Morgan February 8th, and, although he declared his belief in the correctness of his judgment in the case, he held Jewett in \$10,000 bail, which was furnished by ex-Governor Morgan. The proceedings were objected to all the way through by ex-Judge Beach, who appealed from the decision of Judge Donahue.

The appeal was argued February 21st before Chief Justice Noah Davis and Judge Brady, at General Term of the Supreme Court, at New York. Ex-Judge William Fullerton and John R. Fellows appeared on behalf of Receiver Jewett, and William A. Beach in opposition. Decision was reserved, and not rendered until April 30th. The decision was that Judge Donahue's ruling under the habeas corpus proceedings was wrong, but that as the police justice had acted under it and accepted bail, there would be no remedy by reversing the order. The police magistrate had no further jurisdiction, and the matter now lay with the Grand Jury. May 9th the Grand Jury dismissed the complaint, and the effort of the McHenry contingent to use the criminal courts to serve a purpose they could not induce the civil courts to take cognizance of was foiled, much to their disappointment and to the damage of their prospects in the Erie litigation. The shrewdness and astuteness of ex-Judge Fullerton rescued Receiver Jewett from this unpleasant and critical dilemma.

Receiver Jewett charged Col. George T. Balch with having been designedly the cause, in conspiracy with the sponsors of the attempted new "Sickles Raid" of 1877, of the criminal proceedings. Colonel Balch was a graduate of West Point, and had been for fifteen years, and up to 1862, an officer in the regular army. October 1, 1872, he entered the service of the Erie Railway Company, under President Watson, as assistant to the Inspecting Engineer. He continued as such until January, 1873, when he was put in charge of the repairs and construction of Erie property at Jersey City and New

York. July 1, 1873, he was appointed General Storekeeper and Inspector of Supplies for the Company, which place he filled until May, 1874, when the office was abolished. When Mr. Jewett came into control of Erie, Colonel Balch was detailed to prepare a history of the Supply Department of the Company for the previous ten years, which he did so satisfactorily that President Jewett gave into his charge the compiling of the reports of the Company made annually to the proper State officials of New York, Pennsylvania, and New Jersey. Colonel Balch compiled these reports for the years 1874, 1875, 1876, and 1877, and, such was Mr. Jewett's confidence in him, according to his (Jewett's) subsequent declaration, his figures were accepted and sworn to by Jewett, both as President and Receiver, without the suspicion of a doubt as to their accuracy and truthfulness. Colonel Balch also had charge of the taking of the inventory of the Company's property, under the order of Court appointing the Receiver in 1875, and by Receiver Jewett's direction.

After Receiver Jewett's arrest on the charge of perjury in February, 1878, he began an investigation. Colonel Balch had prepared the report for 1877, on the alleged falsity of which the arrest was made. The result of Jewett's investigation was that on May 7th he summarily dismissed Colonel Balch from the Company's employ, in a scathing letter in which he reviewed Balch's connection with the Company, reminded him of the great leniency with which the writer had treated him on a previous occasion, when a certain act of his was not above suspicion, but for which Jewett had taken Balch's plausible explanation as satisfactory, and charging him with having been guilty—after having had sole charge of making out the annual reports of the Company to the State Engineer for several years, in the entire personal confidence of Mr. Jewett—of making statements in the report for 1877—which was verified as usual by the Receiver—that had led to Jewett's arrest on the charge of perjury, and then failing to come forward and assume the responsibility for the complication and exonerate the Receiver from blame. Moreover, the Receiver charged Balch with playing him false, making efforts to aid the conspiracy for the projected Sickles raid in 1877, and aiding and

abetting other enemies of the Jewett management, with the hope and expectation of personal aggrandizement. Balch replied in a long letter, recounting the history of the matters charged by the Receiver, and denying them all.

Among those whom Mr. Jewett believed he had indubitable reason to suspect of treachery to him at this time was William Pitt Shearman, who had been Treasurer of the Erie Railway Company and Assistant to the Receiver, and Mr. Shearman was compelled to quit the service. Shearman always claimed that he was sacrificed because he would not recognize and approve officially matters of accounting which he believed to be wrong. It was originally for this that he was promoted, as he supposed, from the Treasurership, in 1877, to be Assistant to the Receiver, which promotion proved to be merely one in appearance. As Treasurer he had protested against the payment of accounts of the Receiver as irregular, and it was to get rid of his unpleasant presence in that office that he was made Assistant to the Receiver, Bird W. Spencer, who had been Assistant Treasurer, being then appointed as Acting Treasurer. Mr. Shearman soon found, however, that his acts as Assistant to the Receiver were regularly disregarded in the Auditing Department and the Treasury Department, both of which were sustained by the Receiver as against him. When the new Company was organized Mr. Shearman was left out of any participation in it, and the charge of treachery to Mr. Jewett and his management was offered as the reason.

"If any action I ever took while connected with the Jewett management could be called disloyalty," Mr. Shearman said to the compiler of this History, in 1894, "it thus became all the greater an act of loyalty to the true interests of the Company."

It is scarcely necessary to say that neither this move in the police court against Receiver Jewett, nor any other of the harassing litigation, would have been heard of had he proceeded in the management of the Erie Railway Company according to the lines McHenry had marked out, when he and his friends permitted Mr. Jewett's election as President in July, 1874; for McHenry was then still in control of the English stock, and without his assent neither Jewett

nor any one else proposed could have been chosen. But, as has been seen, President Jewett repudiated the Watson lease of the Atlantic and Great Western Railroad, and, instead of leaving uncovered the Erie Treasury that it might be used to the benefit of that utterly insolvent corporation, and acknowledging the right of McHenry and his associates to \$2,000,000 of Erie funds then in their possession as custodians, he actually closed the one and demanded the restitution of the other, which, being refused, he sought the arbitration of the English courts in the matter. Hence, the righteous indignation of McHenry, and the discovery that Receiver Jewett was a fraudulent Receiver and a corrupt manager, and the litigation hindering and endeavoring to prevent any reorganization of the Erie Railway Company that would forever destroy the McHenry interest and influence was the outcome.

#### THE SALE—THE STRUGGLE TO PREVENT IT.

In all the history of Erie in the courts there is no record of such a struggle as the opponents of the Jewett Receivership made to prevent the sale of the Erie Railway and its property, or to change the terms and conditions of the sale, between the time the public notice of the sale was given until and up to the very hour of the day it at last took place. The struggle began January 18, 1878. Judge James T. Brady, in the Supreme Court, at New York City, granted an order postponing the sale of the railroad property sixty days, pending the outcome of litigation then in the courts.

Before Judge Barrett, the same day, in Supreme Court Chambers, Dorman B. Eaton appeared for the Receiver in the complicated situation of affairs that the action of Attorney-General Fairchild, November, 1877, had induced. Augustus Schoonmaker, Jr., had in the meantime succeeded Fairchild as Attorney-General of New York, and his opinion was that the old suit of the People against the Erie (the Angeli suit) should not be reopened, but should be discontinued. Amasa J. Redfield, who represented the Erie corporation, asked that the suit be discontinued, on the written stipulation made by Attorney-General Pratt in 1875, by which he granted leave to

discontinue. Peter B. Olney appeared on behalf of Attorney-General Schoonmaker, and read a letter from him to the law firm of Barlow & Olney, in which he expressed a wish to be a passive agent in the disposal of the vexing question, and calmly handed the matter over to the adjudication of the court, upon the result of which his action would abide. Judge Barrett, however, declined to act as the adviser of the Attorney-General, and the case was adjourned. January 30th Turner, Lee & McClure and Amasa J. Redfield appeared before Judge Lawrence in Supreme Court Chambers in further argument in opposition to the reopening of the case. Peter B. Olney, Ashbel Green, and Gen. Daniel E. Sickles represented the McHenry interest. Judge Lawrence took the papers. Early in February Attorney-General Schoonmaker wrote Barlow & Olney, his representatives at New York, that the office of the Attorney-General did not exist for the promotion of personal interests, and that before he consented to the reopening of the Receiver's accounts, after they had been approved by the Supreme Court, and order a reëxamination, he should require proof by affidavit as to why it was sought and what good it was expected to accomplish or how to prevent; by whom the reaccounting was required, and by what right and when acquired; what of the Receiver's transactions were claimed to be fraudulent, and how the claimants were injured thereby; and whether there was not some other remedy. The case was never reopened.

January 19, 1878, Elihu Root, as attorney for Charles Potter, Samuel Bird, John Jones, Christina M. Edwards, Inslee A. Hopper, James M. Durand, Augustus F. R. Martin, Enos Runyon, Louis May, and James A. Reilly, claiming to hold 2,000 shares of Erie stock, obtained leave from Judge Barrett to sue Receiver Jewett, the Farmers' Loan and Trust Company, and J. C. Bancroft Davis, on complaints and allegations presented. These charged fraud and mismanagement sweepingly—fraud on Jewett's part in obtaining the office of Director September 24, 1874; conspiracy between him and his friends in bringing about the Receivership, when the Company's earnings were more than enough to meet all its liabilities, for the purpose of making large gains

by means of "short" speculations in Erie stock, Jewett's share in the profits of which, the complaint alleged, were, on one occasion, \$70,000, and on another \$140,000; fraud and irregularity in the foreclosure proceedings; fraud on the part of Jewett as Receiver in granting rebates to the Delaware and Hudson Canal Company, and other shippers over the Erie; in misrepresenting the cost of the third rail between West Junction and East Buffalo; and in having credited himself with the payment of \$85,233.85 more than it cost; in the making of contracts with the Standard Oil Company and the New Jersey Lighterage Company; in the purchase of Pennsylvania coal lands; and in putting numerous useless employees, including relatives and friends, on the Company's salary lists at extravagant salaries, through all of which the expenses of operating the road had been unnecessarily increased \$5,000,000 a year. The complaint attacked the legality of the foreclosure proceedings, and declared that the scheme of reconstruction was promoted by fraud on and deception of the court. The removal of Receiver Jewett was demanded, and an injunction restraining all further proceedings under the foreclosure was asked for.

The defendants in the suit obtained an order for the examination of James A. Reilly, McHenry's agent, and Freeling H. Smith was appointed Referee to conduct it. Counsel for the defendants were particularly anxious to obtain from Reilly the names of the railway officials from whom he had obtained the information on which the allegations of the complaint in the Potter suit were based. He declined to answer. The Referee held that he must answer the question or be committed for contempt. Elihu Root, Reilly's counsel, then obtained an order from Judge Lawrence, January 31st, directing Receiver Jewett to show cause why Reilly's examination should not be set aside or restricted in its scope. The matter came before Judge Donahue February 1st, but he declined to interfere in the matter because the order of Reference had not been made by him, and because he considered the Referee fully competent. Reilly, February 9th, testified that he was acting in the interest of McHenry, General Sickles, and General Barrett, who had an agreement as to the

disposal of Erie if they succeeded in overthrowing Receiver Jewett. All his information was hearsay, as he had no personal knowledge of any wrongdoing by an Erie officer.

While the Potter suit was pending in the courts, most of the plaintiffs in the case made affidavit that their names had been used without their authority.

February 19th, before ex-Judge Spencer, Referee, Henry Arden, as counsel for Charles and William Zaggel and George Talbot, who had small judgments against the Erie Railway Company, objected to the continuation of the reaccounting of the Receiver unless his clients' right to participate was acknowledged and allowed. The settling of this question in favor of the claimants would disturb and render void the entire foreclosure proceeding. It was opposed in the Receiver's interest by Charles L. Atterbury, and on behalf of the Farmers' Loan and Trust Company by J. H. Henshaw. February 21st Referee Spencer decided that it must be passed upon by the Supreme Court. Before it came to adjudication in the courts, the judgments held by Arden's clients were transferred to other parties, who disposed of them to Receiver Jewett. Elihu Root had become interested in the case as counsel, and on April 4, 1878, before Referee Spencer, denounced the transaction as merely one to cover up the Receiver's accounts.

As something of a relief to the monotony of the Receivership litigation, the Farmers' Loan and Trust Company applied to Judge Donahue, February 26, 1878, for an order directing Receiver Jewett to pay it \$7,500 of the Erie's money in his hands to defray legal expenses the Trust Company had been under, owing to the annoying and harassing lawsuits the affairs of the Company had involved the Trust Company in, because it had interested itself as Trustee in efforts to straighten out such affairs, and inasmuch as it had thus far received only \$4,500 toward such expenses. Judge Donahue granted the order.

The return of the order to show cause why James McHenry should not be admitted as a party to the suits of the Attorney-General, the Farmers' Loan and Trust Company, and J. C. Bancroft Davis against the Company, and also why the sale of the railroad should not be further postponed, was argued

before Judge Lawrence in the Supreme Court Chambers, March 20, 1878. John A. Davenport appeared for McHenry. William Wallace MacFarland represented Mr. Jewett, and objected to the proceedings as being simply a device to secure the postponement of the sale of the road. The matter was adjourned until next day, when a decision was rendered by Judge Daniels denying McHenry's motion, on the ground that if McHenry and his associates had any just grievance it had its remedy in the Monroe County suit, Judge James T. Brady having sustained McHenry in that action the same day, denying the motion of the Farmers' Loan and Trust Company to make permanent Judge Donahue's injunction restraining McHenry from further proceedings in that suit. In denying the Trust Company's motion, Judge Brady held that the charges of fraud and mismanagement on the part of the Receiver made in the complaint in that suit "are sufficient in substance to justify the relief demanded (if true); and whether they are true or not is an issue which the plaintiffs in that suit have the right to present and to have determined therein." He held that the Trust Company could not be allowed to prevent the investigation in regard to the performance of the trust. March 23d Judge Brady dissolved Judge Donahue's injunction. McHenry appealed from Judge Daniels's decision to the General Term, where, April 18th, Judge Lawrence decided that he had no case, and denied his application.

March 21st the application of Albert de Betz, Moritz Lewin Borchard, and Jules Levita, foreign bondholders, claiming to own \$345,000 of the second consolidated mortgage bonds, to be made parties to the foreclosure suit, to present charges against the Receiver, examine his accounts, etc., was granted by Judge Daniels. The Farmers' Loan and Trust Company disputed the claim of these plaintiffs to be *bona-fide* bondholders.

March 22d another great array of legal talent appeared in the next move in the McHenry litigation before Judge Lawrence. In McHenry's employ were Aaron J. Vanderpoel, Ashbel Green, Daniel E. Sickles, Elihu Root, and John A. Davenport. The Receiver had in his interest William Wallace MacFarland and Dorman B. Eaton. Herbert B. Turner

and George F. Comstock looked after the Trust Company's interests. Peter B. Olney and Luke F. Cozans represented the Attorney-General, who had been made a party to the suit. Mr. Cozans asked for an adjournment. Mr. Vanderpoel insisted that if an adjournment was allowed, the sale of the railroad should be postponed, as it was proposed by the Receiver, he said, to sell \$19,000,000 of property not covered by the mortgages under which the foreclosure was obtained. Postponement of the sale was opposed by ex-Judge Comstock and Mr. MacFarland. Judge Lawrence withheld his decision, and on Monday, March 24th, Judge Daniels granted an order based on the suit of Albert de Betz, Moritz Lewin Borchard, and Jules Levita, the alleged foreign bondholders, postponing the sale of the railroad thirty days. On the contention that they were not bondholders, William Allen Butler was appointed Referee to ascertain whether the plaintiffs in the action were *bona-fide* bondholders; to report on the amount of lawful indebtedness incurred by the Receiver in the execution of his trust, properly constituting a lien upon the mortgaged premises prior to the lien of the second consolidated mortgage; on the executory contracts properly made by the Receiver, subject to which the mortgaged property should be sold; on the charges against the Receiver, and the items of his accounts, etc.; and to report a particular description of the property which should properly be sold under the judgment, and the amount of indebtedness and of outstanding bonds and coupons secured by the mortgage.

April 4, 1878, Henry Arden, of counsel for de Betz, Borchard, and Levita, at a meeting before the Referee, sought to have his clients represented there, but as they had not yet established their claim as bondholders before Referee Butler, Referee Spencer ruled that they had no right to appear.

The postponement of the sale for thirty days was made absolute. In case the counsel on behalf of the Farmers' Loan and Trust Company should stipulate to deduct from the amount of the judgment such sums as should be found by Referee Butler not proper charges prior to the mortgage, and also to deduct any sums improperly allowed to the Receiver, besides stipulating that the applicants should, if they

chose, be entitled to share in the benefits of the reorganization scheme, no further postponement should be allowed. If the Trust Company should refuse to make such stipulations, the sale would stand further postponed until the coming in of the Referee's report. The stipulations were agreed to.

April 22d Henry Arden came to the front again as the attorney of John Henry Brown and F. W. Isaacson, of London, who, as alleged stockholders in the Erie, also professed to be fearful of the result to their interests of the sale of the railroad, petitioned for a postponement of the sale, and a reopening of the decree of foreclosure. General Sickles, for McHenry, was the backer of Arden in the latest effort, and all the old McHenry charges were relashed. The good faith of the action was doubted by the Receiver's counsel, and Judge Potter adjourned the hearing until 9 o'clock A.M., April 24, at noon on which day the Erie sale was to be held. The counsel for the petitioners were A. J. Vanderpoel, ex-Judge James Emott, Ashbel Green, Daniel E. Sickles, Elihu Root, William A. Beach, H. L. Burnett, and Henry Arden. In opposition were ex-Judge George F. Comstock, Herbert B. Turner, William Wallace MacFarland, E. R. Bacon, and John H. Henshaw.

When Judge Potter, pursuant to adjournment, opened Supreme Court Chambers that morning to hear the continuation of the argument for a postponement of the sale of the Erie Railway Company's property, few, if any, of the large number of persons present had any idea that the matter would be so summarily disposed of as to permit the sale to take place at the time advertised. The argument was resumed in such a steady, thoroughgoing manner that it bade fair to last all day, if not longer. Ex-Judge Comstock spoke in defence of the motives and conduct of those opposed to McHenry's attacks. William A. Beach followed in a long speech, insisting on the rights of the stockholders, who, he claimed, should have been notified of what property was to be sold in time to enable them to form some kind of combination to protect their interests. Mr. Beach concluded his remarks at 11.35 A.M. Then ex-Judge Emott spoke a few words on the necessity of postponing the sale. Twenty minutes before noon

Judge Potter put an end to the discussion by saying:

"This is a very important matter. I have had little opportunity to give it any thought whatever, and only such as occurred in the progress of this discussion. It seems this decree was taken last November, and from that time to this there have been various applications, and now this one is made just at the eve of sale. If any injustice is done by the sale, any fraud practised, or any mistake made, the courts can relieve against it. I think the sale should take place."

There was a sensation in court at this abrupt decision, which seemed to stun the counsel on both sides. In a moment, however, the counsel favoring the sale made a rush for the door of the court-room, and as soon as they reached the corridors they telegraphed to have the sale proceeded with.

An immense crowd had gathered in the Exchange salesroom by noon to witness the sale of the great railway at public action. The sale was to be under judgments of foreclosure obtained by the Farmers' Loan and Trust Company of New York as Trustee for the second consolidated mortgage bondholders, in the Supreme Court of New York; by the Elmira Iron and Steel Rolling Mills Company, before the New Jersey Master in Chancery, and by certain persons in the Court of Common Pleas of Pike County, Pa., before Judge Henry M. Seeley. Among those present at the sale were George Ticknor Curtis, the Referee for the sale; R. G. Rolston, President of the Farmers' Loan and Trust Company, and Samuel Sloan, President of the Delaware, Lackawanna and Western Railroad Company. Receiver Jewett was not present. At precisely 12 o'clock Bernard Smyth, the auctioneer, mounted the rostrum and began reading the description of the property, the decree of the court, and the terms of sale.

The decree described the property to be sold as the railway from Piermont on the Hudson River to Dunkirk on Lake Erie; that from Newburgh, N. Y., to the main line at Greycourt, N. Y.; that from Hornellsville, N. Y., to Attica, N. Y., and "all other railways and property belonging to the Company in New York, Pennsylvania, and New Jersey," and numerated the incumbrances on the

property, viz.: A mortgage of \$2,483,000, with interest from November 1, 1877; a mortgage of \$2,174,000, with interest from March 1, 1878; a mortgage for \$4,852,000, with interest from March 1, 1878; a mortgage for \$2,937,000, with interest from October 1, 1877; a mortgage for \$709,500, with interest from December 1, 1877; the Receiver's indebtedness at the time of sale; the debt to the Farmers' Loan and Trust Company, amounting to \$16,656,000 gold, with accrued interest to November 1, 1877, aggregating \$2,573,245, gold, and interest since that date, and all executory contracts existing at the time of sale.

Persons proposing to become bidders were also required to assume the auxiliary judgments and decrees obtained in the New Jersey Court of Chancery, and the Court of Common Pleas of Pike County, Pa.

During the reading the auctioneer was interrupted by Lawyer Frank Platt with a demand for an inventory. Referee Curtis announced that an inventory of the property of the Erie Railway Company, in eighteen large folio volumes, was at hand, and was open to the inspection of any intending bidder. No one undertook the task. Auctioneer Smyth asked for a bid. He was interrupted again by Lawyer Platt, who entered a formal protest against the sale on the ground that it was impossible for any stockholder outside of the Reconstruction Committee to make a bid, because no opportunity had been given for an examination of the inventory. Auctioneer Smyth took counsel with ex-Judge Comstock, and on his advice proceeded with the sale.

Ex-Governor Edwin D. Morgan bid \$5,000,000. Mr. Platt bid \$5,500,000. Ex-Governor Morgan followed with a bid of \$6,000,000. The auctioneer gave time for any further bidder to announce his bid, but none was made, and the property, rights, franchises, etc., of the Erie Railway Company were knocked down to ex-Governor Morgan for \$6,000,000, the actual purchasers being ex-Governor Morgan, David A. Wells, and J. Lowber Welsh, of the Reconstruction Committee. Ex-Governor Morgan at once drew his check on the National Bank of Commerce of New York City for \$720,000, and handed it to Referee Curtis, who sent it to the bank for certifica-

tion. When it was returned certified, the preliminary papers were signed on both sides, and the assemblage quietly dispersed. The entire proceedings occupied just one hour.

The sale was confirmed by the court April 25, 1878. April 27th articles of incorporation of the new Company were filed in the office of the Secretary of State, and then the Purchasing Trustees formally conveyed the property to the new Company—the New York, Lake Erie and Western Railroad Company—and the Erie Railway Company was no more. At 10.30 o'clock, April 27th, a meeting of incorporators of the new Company was held at ex-Governor Morgan's office, 54 Exchange Place. Those present were R. Suydam Grant, Solomon S. Guthrie, Hugh J. Jewett, John Taylor Johnston, Edwin D. Morgan, Cortlandt Parker, Homer Ramsdell, Samuel Sloan, Henry G. Stebbins, George F. Tallman, J. Lowber Welsh, David A. Wells, William Walter Phelps, Charles Dana, J. Frederick Pierson, Theron R. Butler, and James J. Goodwin. The absentees were Herman R. Baltzer, who was in Europe; John B. Brown, of Portland, Me.; Thomas Dickson, of Scranton, Pa.; Asa Packer, of Mauch Chunk, Pa.; Giles W. Hotchkiss, of Binghamton, and Marshall O. Roberts. The following members of the English Reconstruction Committee were also named in the articles as incorporators: Sir Edward William Watkin, M.P.; Oliver Gourlay Miller; Henry Rawson; John Kynaston Cross, M.P.; John Westlake, Q.C.; Peter M. Logan, M.P.; Benjamin Whitworth, M.P., and Thomas Wilde Powell. At this meeting the following resolutions were adopted:

*Resolved*, That this Board tender to Hon. Hugh J. Jewett its gratitude and sincere thanks for his able, wise, and energetic administration of the property and affairs of the Erie Railway Company, both as President and Receiver.

*Resolved*, That we extend to him the emphatic assurance of our entire respect and confidence, and we denounce as utterly false, malicious, and defamatory the various loose, vague, and general charges of mismanagement and misconduct that have been brought against him in the course of the litigation in opposition to the scheme of reconstruction, and in various newspapers published in London.

Hugh J. Jewett was elected President of the new Board, and A. R. Macdonough Secretary. Bird W. Spencer was named for Treasurer, but action as in

regard to that office, Vice-President, and other officials, was postponed until a future meeting. Shipman, Barlow, Larocque & MacFarland were continued as counsel to the corporation. The benefits of the reorganization remained open to all interested in the property who chose to unite in it. Nearly all the bondholders and a majority of the stockholders had given their adhesion to the plan, and all others had six months in which to come in, by paying the 4 per cent. installment on the preferred stock and 6 per cent. on the common.

May 7th Judge Donahue confirmed the Receiver's accounts, and authorized the transfer of the Erie Railway Company's assets to the New York, Lake Erie and Western Railroad Company. Mr. Jewett was discharged from further liability and duty as Receiver, except as concerned the discharge of his indebtedness as such Receiver, and the defending and prosecuting of suits against or by him in that capacity.

George Ticknor Curtis was awarded, May 16, 1878, by Judge Donahue, \$13,500 as fees and \$3,500 as expenses for clerk hire, etc., for his services as Referee in the foreclosure and sale of the Erie Railway property.

April 21, 1878, Judge Van Vorst, at Special Term of the Supreme Court, gave judgment for \$103,647.50, with interest from August 14, 1877, to Henry Bischoffsheim, successor to Bischoffsheim & Goldschmidt, for services in negotiating for Receiver Jewett bonds under the agreement with President Watson, May 8, 1872. The court gave Mr. Jewett leave to answer on paying costs. May 3d Bischoffsheim's counsel applied to Judge Donahue for an order compelling Mr. Jewett to deposit a sufficient sum to meet the possible outcome of that suit. Judge Donahue denied the petition, and decided that Bischoffsheim's success on the first suit was fatal, because it showed that the companies that were parties to the foreclosure suit in which Mr. Jewett was Receiver were not parties to Bischoffsheim's suit, which put an end to that harassing move in the McHenry warfare.

The examination in the cancelling of Referee Spencer's report on the Receivership and the reopening of Receiver Jewett's accounts, requested by

Attorney-General Fairchild in November, 1877, had been continued from time to time until May 20, 1878, when, on motion of the Attorney-General (Augustus W. Schoonmaker having succeeded Charles S. Fairchild in that office), against the protest of the opposing counsel, Judge Donahue issued a further order appointing Judge Spencer Referee in the People's action, under which order the accounts of the Receiver already rendered were to be accepted, but the Attorney-General was clothed with power to re-examine them and require more specific accounts from the Receiver, if he thought advisable, and to ascertain what property or assets Mr. Jewett as Receiver had disposed of or held, not covered by the lien of the mortgages foreclosed, and what interest the Farmers' Loan and Trust Company had in such assets or property, the Referee to report the testimony and his opinion to the court. This order also gave the Attorney-General leave to ask, if he deemed it expedient, for the appointment of a Receiver in place of Mr. Jewett. The Attorney-General saw nothing in the situation that warranted him to take any action under Judge Donahue's order.

The action under which this order was obtained was the result of allegations made subsequent to the sale of the Erie Railway, that the Receiver had included in the properties sold under the foreclosure a large and valuable amount which was not subject to lien, which action made the sale irregular, and furnished ample grounds to have it declared illegal and void. The property alleged to have been thus sold was the Grand Opera House property, the river front property, and the leasehold of the property in West Street, New York, occupied as the general offices of the Erie Railway Company; real estate along the line of the railroad, in New York and New Jersey; leaseholds of various kinds, and the terminal property at Buffalo; coal lands in Pennsylvania; docks, stock-yards, car companies; securities held as collateral in trust, book accounts against McHenry, the London Banking Association, the Atlantic and Great Western Railroad Company, and the Hillside Iron and Coal Company; patent rights, etc.

Judge Spencer filed his report as Referee, October 31, 1879. It was accompanied by his opinion on the questions raised by the Attorney-General. He held

that all the property alleged to have been sold illegally was covered by the mortgage, and passed by foreclosure sale, and that consequently Mr. Jewett did not acquire, hold, or dispose of any property or assets not covered by the mortgage of the Erie Railway Company to the Farmers' Loan and Trust Company. The opinion of the Referee was sustained and approved by Judge Donahue, and confirmed by him November 25, 1879. The same day Judge Donahue confirmed the acts of the Receiver, and placed him in possession of the new Company.

According to the report of the Referee, the amount of cash received by Receiver Jewett on May 26, 1876, as part of the assets of the Erie Railway Company, was \$52,495.42. During his term as Receiver he sold securities to the amount of \$62,360.47. From May 26, 1875, to May 31, 1878, he borrowed on notes and certificates to meet the expenses and obligations of the Receivership, \$13,342,088.29. He repaid those loans during that time to the amount of \$11,970,710.32. At the close of his Receivership he was indebted on such notes and certificates \$1,371,372.97.

The Receiver's disbursements during his term were for the current expenses of the management and operation of the railroad; the expenses of real estate; principal and interest on money borrowed from time to time; payments on indebtedness existing at the time of the Receivership, and subsequently, under direction of the court; payments for purchase of capital stock and bonds of other corporations, by order of court; advances made to coal companies, purchase of rolling stock, real estate, rails, etc., and all the necessary expenses of the operation of the road. The aggregate amount thus disbursed was \$10,867,326.

Mr. Jewett was continued as Receiver by order of Judge Donahue, on petition of the Farmers' Loan and Trust Company, in proceedings brought to transfer the property of the Erie Railway Company to the New York, Lake Erie and Western Railroad Company, although he was President of the latter Company. This was to enable him to defend suits and settle up much unfinished business of the Receivership. He was discharged as Receiver of the

Erie Railway Company, however, and his bondsman released.

The Receivership proceedings were begun under Attorney-General Pratt, continued through the administration of Attorney-General Fairchild, and terminated under Attorney-General Schoonmaker. The regular counsel engaged in them were: Amasa J. Parker, of Albany, and Luke F. Cozzens, of New York, for the Attorney-General; Shipman, Barlow, Larocque & MacFarland for the Erie Railway Company; Dorman B. Eaton for J. C. Bancroft Davis; Charles L. Atterbury for the Receiver; and Turner, Kirkland & McClure for the Farmers' Loan and Trust Company. The Erie paid in counsel fees during the Receivership upward of \$400,000.

Thus the Erie Railway disappeared after seventeen years of existence, the lingering victim of what it would be the broadest charity to designate as gross mismanagement on the part of those into whose hands the larger part of its career had been confided. If it had been otherwise, the Erie Railway Company would not have died a disreputable bankrupt, but would have existed as a profitable, influential corporation, with an honored and unsullied name. The Erie Railway Company had succeeded the unfortunate New York and Erie Railroad Company, which had also closed a memorable career under a cloud. It started forward practically unhampered by its obligations. Its funded debt was \$19,831,500, its capital stock being the old New York and Erie's chartered capital and the addition of the preferred stock under the terms of reorganization, altogether \$19,973,200. There was no floating debt. The cost of the road and equipment up to January 1, 1862, was \$39,704,700. The road earned a dividend of 5 per cent. on the preferred stock in 1862; 3½ per cent. on the preferred and 3½ on the common stock in the first half of 1863; 7 per cent. on the preferred and 8 per cent. on the common stock in 1864; the same on both stocks in 1865; 7 per cent. on the preferred stock in 1866; and the same in 1867. From that time until its sale in 1878, the Erie had never earned a dividend, although, as we have seen, dividends were declared and paid. After the years of stock jobbing, corrupt manipulation for personal

ends, and management for individual revenue only had at last done their work, and in consequence of it, the Erie Railway died a bankrupt. The Company's accounts showed that the capital stock had been increased to more than four times its original amount, and was \$86,536,910. The funded debt was \$54,271,814, or nearly three times what it was in 1862, and the floating debt was \$1,159,060.46. Moreover, the cost of the road and its equipment stood charged on the books at \$117,445,120.54—an addition of nearly \$80,000,000 in seventeen years, or about \$4,500,000 a year, alleged to have been expended in improvements and construction, when the actual condition of the railroad, its equipment, its capacity, and its belongings generally, gave abundant evidence that if more than \$5,000,000 had been appropriated to honest construction and equipment in all these years, the Erie Railway Company had made a bad bargain.

#### IV. THE BURDEN TOO HEAVY.

The period of the Jewett Receivership had been marked by many disturbing events, not the least of which was the memorable strike of July, 1877, which paralyzed the business of the Company for nearly two weeks, a time as much longer being required to so arrange operations on the road that traffic could be regularly resumed. The Centennial year of 1876 came during the Receivership, when the Erie Railway Company carried 5,000,000 passengers without a single passenger receiving injury or a piece of baggage being lost. Notwithstanding the great business of that year, the road was operated at a loss of more than a million and a quarter of dollars, the deficit the preceding year having been over \$1,350,000. The deficit of the strike year of 1877 was \$1,300,000. The business for 1878 up to June 1st, the day the New York, Lake Erie and Western Railroad Company's life began, showed a loss of \$203,000.

The first statement of operations made by Mr. Jewett as President of the New York, Lake Erie and Western Railroad Company, was for the period between June 1 and September 30, 1878, and was as follows: Gross earnings, \$5,192,681.22; operating

expenses, \$3,272,748.77; total net earnings from all sources, \$1,930,479.93; rentals on leased lines, \$311,047.75; total net revenue, \$1,619,432.18. Deducting interest on mortgages and loans (not bonds), premium on gold, etc. (\$47,482.02), and interest on the funded debt (\$743,403.70), left a balance to the credit of profit and loss of \$828,546.40. Combining the eight months of the fiscal year, the operations for which were reported separately under the Receivership, the statement showed earnings for the year of \$15,644,978.09; operating expenses, \$10,635,863.67; net earnings, \$5,000,114.42; net revenue, deducting "losses from various sources," \$4,913,075.69. Deducting interest, rent claims, expenses of foreclosure, reorganization, etc., the profit for the year was \$625,431.77. The gross earnings of the leased and unleased lines and branches were estimated at between \$4,000,000 and \$5,000,000. The leased lines showed a net loss of \$283,744.26. The funded debt, excluding prior lien bonds of \$2,500,000, was reported at \$66,818,203.69, which made, total funded debt and stock indebtedness, \$152,072,603.69. Taking the circumstances all together, Mr. Jewett was of the opinion that the Company's prospects were fairly encouraging.

But the first six months of 1879 failed to bring a realization of this hope. The earnings had fallen off largely. The quantity of business was large, but transportation rates were low, owing to a war of rates between the Pennsylvania Railroad and the New York Central and Hudson River Railroad Companies. The work of improving the terminal facilities at Jersey City, New York, and Buffalo, which included the building of costly grain elevators, was progressing, as was the important work of completing the double-tracking of the line. These, and many other needed improvements, were absorbing largely of the Company's earnings. "But," said Mr. Jewett, in June of that year, "there is no reason why the plans of the reorganization cannot be made a perfect success, or why the Company should not be able to comply with all the obligations which it assumes in adopting such a plan."

The question of leasing the Atlantic and Great Western Railroad was the uppermost one in the affairs of the Company during 1879. This company

was in the hands of a Receiver for the third time, and its prospects were anything but bright. The courts of three States—New York, Pennsylvania, and Ohio—were trying to straighten out its affairs, and had been so engaged for three years. The company owed \$60,000,000. Reorganization could soon be effected if the company could raise between \$4,000,000 and \$5,000,000. The New York, Lake Erie and Western Railroad Company was willing and anxious to guarantee and pay the interest on bonds to the necessary amount in return for a lease of the railroad, although the road had scarcely sufficient equipment to run a train over a division. The United States Rolling Stock Company had been organized some years before to equip the road with broad-gauge cars, but the railroad company had not paid the obligations due on them, and the rolling stock company had taken possession of the cars, the railroad company still owing \$1,000,000 for the use of them. The proposed arrangement between the Erie and the Atlantic and Great Western Railroad Company was substantially that the Trustees of the latter were to raise money on construction bonds sufficient to standard-gauge the road and equip it, which bonds were to be placed at the disposal of the Erie for the purpose. The net earnings of the Atlantic and Great Western Railroad were to be divided in proportion of two-thirds to that company and one-third to the Erie. The cost to the latter Company, at a guarantee of 6 per cent. on \$5,000,000 of bonds, \$300,000 a year, was regarded as a mere bagatelle in return for an independent through trunk line connection to and from the West.

The proposed lease of the Atlantic and Great Western Railroad to the Erie aroused James McHenry again. He had induced his fellow-countrymen to invest something like \$50,000,000 in the stock of that company, and nearly \$70,000,000 in its bonds. The entire property was not, and never had been, worth \$10,000,000. This company had been the basis of all McHenry's litigation with the Erie, and it galled him to think that it was likely to pass into the control of his hated foe. He and his associates, although in a minority, were able to retard the necessary proceedings looking to a reorganization of the company to such a degree that it was not until

January, 1880, that those proceedings culminated in the sale of the Atlantic and Great Western property, and the reorganization of the company as the New York, Pennsylvania and Ohio Railroad Company. For more than three years after that the new company was sanguine enough to believe that it could exist as a corporation independent of permanent coalition with any other company, but at last recognized the impossibility of it, and April 6, 1883, agreed to a lease of its property to the Erie for ninety-nine years. The property thus acquired by the Erie was sorely dilapidated, but it was the Erie's only salvation if that Company were to have ever a secure connection for its Western business. The terms of the lease were criticised, and even condemned in many quarters, but the time was at hand when criticism of any measure the Erie management might favor was a natural sequence of events.

Toward the close of 1880 the condition of the Company's business, according to the reports, seeming to warrant it, foreign holders of preferred stock became dissatisfied that no dividends were paid on such shares. President Jewett claimed that the true meaning of the reorganization plan was that the profits were to be applied to the improvement and additions to the Company's property, so that its earning capacity might be increased, with the intent of enhancing the interests of all holders of obligations, bond and stock, and consequently he was not justified in diverting the profits for the benefit of any one class of creditors. He did, however, recommend the payment of the coupons on the income bonds, which was done by order of the Board, made November 30, 1880. The stand taken by Mr. Jewett, however, in the matter of not paying dividends, did not tend to lessen the dissatisfaction of the foreign shareholders, and the dissatisfaction increased, so that it took the form of such opposition to the Jewett management that the Reorganization Trustees of London, who held a majority of the voting power, resolved to use it against President Jewett at the annual election in 1881. William H. Vanderbilt was offered the Presidency, the Englishmen being willing to throw the Erie into his hands, and on his refusal to accept the place, Jay Gould

was actually solicited to resume the control of Erie that the English stockholders had forced from him in 1872! Mr. Gould declined the offer, time and his remarkable facility having placed him in charge of better things. The opposition was allayed, however, by Mr. Jewett changing his policy, and at the election of 1881 the Jewett ticket was chosen almost unanimously. The Board decided to pay a dividend of 6 per cent. on the preferred stock, and the coupons on income bonds. The new Directory was: Theron R. Butler, Charles Dana, Thomas Dickson, Harrison Durkee, R. Suydam Grant, Jacob H. Schiff, Solomon S. Guthrie, Hugh J. Jewett, John Taylor Johnston, William Martins, Edwin D. Morgan, Courtlandt Parker, Henry G. Stebbins, William L. Strong, of New York; Francis N. Drake, of Corning, N. Y.; Homer Ramsdell, of Newburgh, N. Y.; J. Lowber Welsh, of Philadelphia, Pa. Messrs. Schiff, Martins, and Drake succeeded Messrs. James R. Keene, John Frederick Pierson, and James J. Goodwin.

The year 1882 was marked in the affairs of Erie by a memorable rate war, and by the efforts of the New York Central Railroad Company and its auxiliary contingent to cripple the Erie by closing to it all connections west of Buffalo and Salamanca. The manner in which these difficulties were met and overcome, handicapped as the Erie was by its numerous other harassing troubles, should stand conspicuously forward as a manifestation by the Jewett *régime* of extraordinary genius in railway management. Advantages that the Erie Company enjoys to-day are due, in a large degree, to the alertness, determination, and rare foresight that characterized the men then in Erie, who found themselves pitted against adversaries whose strength and equipment would have discouraged and disheartened lesser men.

The annual meeting of the stockholders for 1883 had some exciting features, and it was evident that a cloud was rising on the horizon of Erie affairs, and that it was likely to gather in proportion and portent. Mr. Jewett had the control of affairs still in his hands, but his vote on the proxies he held was challenged by Stockholder Brenkendorf, who came to the front when the question of the approval of the New York, Pennsylvania and Ohio lease came up. He charged that the holdings were not in the

names of their rightful owners. Mr. Jewett was obliged to swear that to the best of his knowledge and belief he was entitled to vote on his proxies. The lease was approved by seven-eighths of the stock and bonds voted. James D. Fish, President of the Marine Bank of New York, which had become the depository of the Erie funds, was elected to the Board, in place of ex-Governor Morgan, who had died during the year. Mr. Jewett, in his statement of the results of the Company's business for the year, said the surplus earnings were \$1,265,484.98. The Board of Directors elected was composed of Theron R. Butler, Charles Dana, F. N. Drake, Thomas Dickson, Harrison Durkee, James D. Fish, R. Suydam Grant, James J. Goodwin, Solomon S. Guthrie, Hugh J. Jewett, John Taylor Johnson, Courtlandt Parker, John Frederick Pierson, Homer Ramsdell, Jacob H. Schiff, William L. Strong, and J. Lowber Welsh.

A dividend of 6 per cent. on the preferred stock was declared, payable in January, 1884. President Jewett, broken in health by his labors, threw them off for the time and went South after the November election.

It was evident, early in 1884, that a crisis was impending in Erie affairs. The Jewett management had been in control nearly ten years—the longest continuous *régime* in the history of the Erie—and the wonder was that it had sustained itself so amazingly well. The patient and accommodating English share and bondholders had once more become aroused, and in the spring of 1884 they held a meeting at London, and sent a committee to this country to investigate the Erie situation, and find out if they could if there was any ground for hope that Erie would ever make any return for all the millions of money that had been delivered over to various of its alluring managements. This committee was T. W. Powell and J. Westlake.

Rumor was busy all winter long to the effect that the dissatisfaction with the Jewett management, its methods, and the results of its policy was such that its retirement, either voluntary or compulsory, was to come to pass at an early day. The statement was put forward with such positiveness that it had the

bearing of indisputable fact, that the interest on the second consolidated mortgage bonds, due June 1st, would be passed. Early in the spring it was declared on the Street that the Company was borrowing money, or trying to borrow money, on commercial paper, to help it over impending trouble. President Jewett, as late as April, denied the prevailing rumors that the road was in wretched condition; that the Company was borrowing money on commercial paper at a large discount, or that the management was on the eve of resigning at the demand of dissatisfied stockholders, and declared that the affairs of the Company were in perfectly satisfactory shape; that it had expended nearly \$14,000,000 in betterments of its property under his management, and that "President Jewett and the Board of Directors have no intention of resigning, and they know of no earthly reason why they should be accused of such an intention."

Perhaps, if an entirely unexpected termination in the career of highly accredited financial concerns had not intervened at this critical time in the affairs of Erie, time might have borne out President Jewett's estimate of his Company's situation and condition; but the hand of Fate was busy. The fact was that the Company had then applied, or did soon afterward apply, to the Wall Street firm of Grant & Ward for a large loan on its notes, as security for which 11,000 shares of the stock of the Cleveland, Columbus, Cincinnati and Indianapolis Railroad Company were deposited with the firm. Moreover, the Erie had placed with the same firm \$1,150,000 of the bonds of the Chicago and Atlantic Railroad Company, to be sold for the Erie's account. Pending these negotiations, on May 6, 1884, the Marine National Bank closed its doors, to the consternation of Wall Street and the entire financial world. This was followed by the immediate failure of Grant & Ward, whose transactions were closely allied to those of the bank; in fact, it was the peculiar transactions of the house of Grant & Ward that carried down the bank. James D. Fish, President of the bank, was a member of the Erie Directory. His bank was also the accredited depository for the Erie funds. Instantly the direst reports affecting the affairs of the Railroad Company, as connected with these failures,

were set afloat, one to the effect that the Treasurer of the Company was involved in a compromising way with the transactions of Grant & Ward, through his relations with the Marine Bank as such officer. It was found that Grant & Ward had hypothecated the \$1,100,000 of stock deposited with them by the Company; had also negotiated the Company's notes separately, and had hypothecated the Chicago and Atlantic bonds for their own use instead of negotiating them for the Erie.

This was most unfortunate for the Company. It was in need; and although President Jewett and the Directors returned cheering words to all inquirers, and declared that everything was all right, and that disturbing rumors and untoward appearances were misleading, Secretary MacDonough, May 23, 1884, made official public announcement that the Company would not pay the interest on its second consolidated mortgage bonds, due June 1st. This, he said, was only a temporary postponement, and was made necessary by the great falling off in the earnings for the first half of the year. Under the terms of the reorganization of 1878, payment of Erie bonds could not be enforced for three years after default, which alone kept the Company out of a Receiver's hands in June, 1884. Following closely on the heels of this default, the Company, July 1st, failed to meet the interest on its Car Trust bonds, class G. The Auditing Department, however, made optimistic statements to the public, from which could be evolved the conclusion that Erie, instead of being in hard lines, was actually in excellent form. The fact was, though, that the treasury was empty, and the Company bankrupt. The Erie estate, by the Company's official showing, was \$150,311,883.15, although a valuation one-third less than that would have been an extremely liberal one. A prominent holder of Erie securities at this time declared that the Company "owns not more than \$90,341,859, and its liabilities are \$178,089,495.19. The indebtedness outside of the stock is more than the amount of the assets, and the stock is worthless and the road bankrupt." The truth of the charge was not challenged.

But in spite of all the disclaimers that the Company was in straits or the management unpopular,

or that there was any thought or intention of abandoning its policy or of changing its personnel, July 14, 1884, President Jewett placed in the hands of the Board the following letter:

NEW YORK, July 14, 1884.

*To the Board of Directors of the New York, Lake Erie and Western Railroad Company:*

GENTLEMEN:—Ten years ago this day I was elected President of the Erie Railway Company, with the understanding (which was immediately thereafter put in the form of a contract) that I was to serve for a term of ten years.

Upon the dissolution of that company and the organization of this company, that contract, perhaps, became inoperative, but I felt it to be my duty to serve the company for the full time if such service was desired, regardless of any contract obligations, and so advised the members of this Board. I, however, never contemplated a longer official connection with the company.

For ten years I have devoted my entire time, with all the skill and ability I am possessed of, to the care and management of these companies, to the absolute and entire neglect of my private business and personal interests, looking forward to the end of the ten years when I could return to them, and, to some extent, reinstate them to the condition in which I left them. For some time past I have, with great care and anxiety, been reviewing the details of the improvements, extensions, and management of the properties, interests, and business of the companies since my connection with them, expecting to realize that I had made many mistakes, and fearing that I might find some of a serious and, perhaps, dangerous character. That I have made mistakes there can be no doubt, but I am gratified to find and to be able to say that upon such a careful review of the whole period I can find no transaction of importance that, with the same lights only which were then before me, I would not now repeat. With the same lights and the additional experience I now have, in many instances I would perhaps have advised a different line of action and of policy. If, therefore, there was nothing else involved, and the business of the country was in a happy and prosperous condition (which is all that is necessary to a healthy and prosperous condition of this company), after tendering to you my most sincere thanks for, and unqualified appreciation of, your uniform kindness to and co-operation with me in the discharge of my official duties, I should tender to you my resignation as President of this company. But in view of the disordered and disorganized state of affairs and of business generally, as well as of the business and interests of this company, I can do nothing more at present, therefore, than to place before you the facts and to remain subject to your will and pleasure, with the distinct understanding, however, that I cannot consent to a reelection so as to have devolved on me in the future, as in the past, all the duties of supervising and directing the detailed management of the various departments and interests of the company. With the greatest consideration and respect, I remain,

Yours very truly,

H. J. JEWETT.

The Board appointed a committee consisting of Thomas Dickson, J. Lowber Welsh, Jacob H. Schiff,

and R. Suydam Grant to take the matter into consideration, and to devise some satisfactory plan of action. During their consideration of the subject many men of prominence in railway affairs were mentioned as being men whose services would be desirable as an assistant to Mr. Jewett. John King was at last decided upon as being the one who would be the most likely to meet all the requirements of the case, but the committee did not purpose making any selection at all, unless it could be accompanied by assurances that would relieve the Company from its pressing financial necessities. The following letter opened the way for action by the committee:

NEW YORK, August 18, 1884.

*Hon. H. J. Jewett, President New York, Lake Erie and Western Railroad Company:*

DEAR SIR:—I am satisfied from representations made to me by Messrs. Powell and Westlake, representatives of the European interests in your company, that if I am elected Assistant President of your company for the time being, with the understanding that I am to be elected President at the annual meeting in November next, the funds needed to retire the floating debt of the company and to place the company upon a safe financial basis will be furnished, and it is upon this assurance that I consent to accept the position referred to.

I am, very respectfully yours, etc.,

JOHN KING.

This letter was endorsed as follows:

We have given Mr. King such assurance as above mentioned.

T. W. POWELL,  
J. WESTLAKE.

Thereupon the committee, August 21, 1884, in a resolution unanimously adopted, appointed John King Assistant President of the Company, and to take Mr. Jewett's place as President at an early date, to be determined by Mr. Jewett. The resolution also directed that a contract be made with Mr. Jewett, after his resignation as President, "whereby his counsel, advice, and aid in the management of the affairs of this Company may be secured as Chairman of the Executive Committee, or otherwise, for the term of one year after such resignation, at his present salary."

The report of the English representatives, Messrs. Powell and Westlake, was published in London,

September 12th, and its character was such that the Company's second consolidated bonds fell from 59½ to 56, and there was a great scramble in Wall Street to get rid of holdings in those securities. The floating debt of the Company (according to this report), for which immediate funds were necessary, was \$4,477,316, and \$5,750,000 (Car Trust bonds to be cared for early in the future) could be properly added to that amount. The committee said that the Company's credit had been unable to withstand the strain the Grant & Ward failure put upon it, and that the Company should without delay raise a permanent loan of \$5,000,000 on available securities. In commenting on the condition of Erie affairs, as this report showed them to be, the London *Telegraph* said:

Some explanation is wanting regarding the Erie's liability of \$5,750,000 for future installments to car trusts, extending to May, 1892. But, anyway, it is difficult to conceive that the English public, however skillfully approached, will lend another million pounds, or half million, even, with no better guarantee for the future management of the road than the substitution of Mr. King for Mr. Jewett as President.

The report met with indignant disapproval on the part of the English shareholders, and they condemned universally the suggestions of the Committee that they come forward to the aid of the Company once more. This did not tend to the benefit of the Jewett influence as a factor in outlining or dictating the future policy of the Company, but as late as the middle of October that influence still aspired to predominance in the management. October 16th John King, James A. Raynor, Ogden Mills, and J. G. McCullough were elected Directors to fill vacancies. Mr. Jewett's resignation as President was made as of effect November 1st, and Mr. King was elected to succeed him on that date. President Jewett said the Company's prospects were bright, notwithstanding the depressed conditions of business throughout the country. He defended his lease of the New York, Pennsylvania and Ohio Railroad, although it had as yet shown no profitable return to the Company. The future, however, would show the wisdom of the arrangement, he declared. The opposition to the retention of Mr. Jewett as Chairman of the Executive Committee, which had always been held by the President

of the Company, made itself known as the annual election approached. This opposition was championed by I. & S. Wormser, the bankers, and they solicited proxies from the foreign stockholders for use at the election, to elect a Directory that would give President King the authority and support it was claimed he was entitled to in the management of the property. The result of this was that Mr. Jewett, before the election came round, notified the Board that he would decline to assume the Chairmanship of the Executive Committee, and wrote President King and others who held voting proxies that he intended to withdraw from the Board and all further connection with the Company, and requested that his name be not presented as a member of the Direction for the coming year.

According to the last annual report of the Jewett management, which was for the year ending September 30, 1884, the result of operations for that year was as follows:

Gross Earnings.....	\$22,715,060 97
Operating Expenses.....	16,358,077 74
Net Earnings.....	\$6,356,983 23
Interest, Rentals, etc., paid.....	\$5,375,736 18
Interest passed, June 1.....	1,679,870 00
Total .....	\$7,055,606 18
Net Earnings.....	6,356,983 23
Deficit .....	\$698,622 95
Decrease in Gross Earnings from 1883, including the Operations of the New York, Pennsylvania and Ohio Railroad.....	\$1,164,811 87
Increase in Working Expenses...	913,494 62
Decrease in Net Earnings.....	\$2,078,306 49
Decrease in Gross Earnings, ex- clusive of the New York, Penn- sylvania and Ohio Railroad...	\$2,979,595 49
Decrease in Working Expenses..	1,509,362 29
Decrease in Net Earnings.....	\$1,470,233 20
Gross Earnings of New York, Pennsylvania and Ohio Rail- road, under the Lease.....	\$4,018,458 73
Working Expenses.....	4,288,739 98
Loss in Operating the New York, Pennsylvania and Ohio Railroad.....	\$270,281 25

*Stock, Bond, and Trust Obligations.*

Capital Stock, Issued.....	\$85,332,000 00
Funded Debt.....	75,268,485 10
Car Trust Obligations, payable in Installments to 1892.....	5,666,000 00

*Debts Due and Past Due.*

Loans Payable.....	\$2,255,392 94
Bills Payable.....	1,053,418 05
Accrued Interest.....	2,888,961 25
Rentals of Leased Lines.....	410,846 18
Rent Due New York, Pennsylvania and Ohio Railroad .....	327,604 81
Pay Rolls, etc.....	3,582,406 15
<hr/>	
Total .....	\$10,518,629 38
Due the Company from Agents, etc., including \$355,115.82, cash on hand.....	9,162,963 09
Leaving Cash Assets Less than Immediate Li- abilities .....	\$1,355,666 27

At the election November 26th not a remnant of what might have been regarded as Jewett influence was perceptible. John King voted on the entire English holding of stock, some \$23,000,000. John G. McCullough voted the Park and Mills interests, aggregating \$38,000,000. Among the large stockholders of Erie then were Drexel, Morgan & Co., \$1,155,000; Philadelphia Savings Fund Institution, \$1,000,000; E. D. Morgan & Co., \$650,000; August Belmont, William A. Wheelock, E. E. White, W. B. Dinsmore, and others, holding \$200,000 to \$500,000. They all gave their proxies to Wormser & Co. and R. Suydam Grant for the election. The following Board of Directors was chosen:

John King; William Whitewright, Chairman of the Executive Committee of the Union Trust Company; J. G. McCullough, President of the Panama Railroad Company; Ogden Mills; William A. Wheelock, of the Central National Bank; W. B. Dinsmore, President of the Adams Express Company; William Libby, formerly of the house of A. T. Stewart; James A. Raynor; George M. Graves, Vice-President of the Bank of the Metropolis; Henry H. Cook; George W. Quintard, President of the Pennsylvania Coal Company; William N. Gilchrist; Jacob Hayes (all new men); William L. Strong, the dry-goods millionaire, and subsequently Mayor of New York; J. Lowber Welsh, of Philadelphia; Courtlandt Parker; James J. Goodwin, of Drexel, Morgan & Co.

The Board met and elected John King President; Charles G. Lincoln, Treasurer, in place of Bird W. Spencer; Edmund S. Bowen, Vice-President; A. R.

Macdonough, Secretary. Charles G. Barber, Mr. Jewett's chief lieutenant, resigned. Mr. Jewett was not present at the meeting. No resolution of regret that he was severing his long connection with the Company was offered. This was an act of discourtesy which placed the ending of the Jewett management in the light of being an enforced one rather than a voluntary retirement, and seemed to be an official and emphatic answer in the negative to the question: Did the Company make a good bargain with Mr. Jewett in securing his services in 1874, on his own terms? and to stamp with official approval the opinion that events had failed to carry to realization his declaration, made on taking control ten years before, that he had "accepted the Presidency of the Erie Railway Company with the determination, if possible, to place the road on such a basis as will enable it to compete successfully with the other great trunk lines."

Were these conclusions just?

The history of the New York, Lake Erie and Western Railroad Company under President Jewett had been one of advancement toward the ideals other managements had professed but never attained. During the Jewett administration the road was laid with steel rails entire; the double track was completed between New York and Buffalo; the gauge was reduced from the unfortunate six foot to the standard; the terminal facilities at Jersey City were enlarged, improved, and to a great extent made new; grain elevators were erected both at Jersey City and Buffalo; the rolling stock and machinery of the road were brought up to the best standard of excellence then obtainable, with every modern appliance, including air-brakes, and gas-lighting of passenger trains; an equable traffic agreement with, and what had seemed to be a wise and profitable lease of, the long-coveted Atlantic and Great Western Railroad were secured, that company having been reorganized as the New York, Pennsylvania and Ohio Railroad Company; new branch connections were obtained; the coal properties of the Company in Pennsylvania were consolidated and fused into the present invaluable and profitable possessions of the Erie; undesirable contracts with outside corporations, such as the Jefferson Car Company and the National Stock

Yard Company, were settled and discontinued to the advantage of the Company, and the Erie generally placed in position, as far as its physical condition was concerned, to compare favorably with the best railroads of the day. More than these, President Jewett had built and put in successful operation a railroad which, in connection with the New York, Pennsylvania and Ohio Railroad, gave the Erie an independent line of its own between New York and Chicago. This was the Chicago and Atlantic Railroad, from Marion, O. It released and relieved the Erie from dependence on rival lines for the courtesy of travel over them, and is to-day the link that makes the Erie Railroad a successful competitor of all the other trunk lines for Chicago business and traffic to and from the great West. He had fought to a successful termination most vexing and harassing litigation, thus removing that great obstacle from the path of future managements.

Were not these things, then, sufficient to warrant his approval by the stockholders, instead of submitting him to implied condemnation? It would certainly seem so.

Receiver Jewett, early in his administration, became convinced that the Pennsylvania coal lands purchased and leased during the Watson administration, might be made profitable to the Company, if properly handled, instead of being a bad bargain, as he had at first believed and announced. These lands included 8,000 acres in fee, and large tracts in leasehold and mining right, located in Luzerne (now Lackawanna), Wayne, and Susquehanna counties, and 14,000 acres in fee, and 13,000 acres in mining right, located in Elk and Jefferson counties. The former were anthracite, the latter bituminous coal lands. The anthracite property cost \$2,236,663, and the bituminous lands \$1,094,029. Two companies had been formed under the laws of Pennsylvania to operate and develop these lands—the Hillside Coal and Iron Company for the anthracite region, and the Northwestern Mining and Exchange Company for the bituminous region.

In 1875 Receiver Jewett had obtained an order from Judge Westbrook permitting the execution of a contract by which the property of the Erie Railway

Company in the coal lands in Pennsylvania, known as the stock of the Northwestern Mining and Exchange Company, might be consolidated with the Shawmut Company, owning lands adjoining and surrounding the Erie property, in Elk and Jefferson counties. To effect this a mortgage was to be executed on the property to secure bonds to the amount of \$4,000,000, which were to be disposed of by ex-Judge W. D. Shipman as Trustee. The consolidated company was then to be transferred to the Receiver of the Erie Railway Company by the exchange of 5,000 shares of Northwestern stock for \$1,366,667 of the bonds at par, subject to the payment of the balance due on the purchase of the lands of the Northwestern Company, amounting to \$544,000, the Shawmut Company to receive mortgage bonds in payment for its interest in the mortgaged premises. This was to be followed by the consolidation of the Buffalo, Bradford and Pittsburg Railroad Company, the Pittsburg, Buffalo and Rochester Railroad Company, and the Brandy Camp Railroad Company, with a capital stock of \$4,000,000 in shares of 100 each, 22,900 shares to be delivered to the Erie Railway Company, the consolidated company to guarantee the principal and interest of the \$4,000,000 bonds of the Northwestern Mining and Exchange Company; the name of the new consolidated company to be the Pennsylvania and Erie Coal and Railroad Company. The proceeds of the bonds, or a sufficient amount, were to be used in building railroads and developing the coal lands in connection with the railroads named.

The purposes and advantages of this arrangement were to be the obtaining of cheaper coal for the use of the Erie Railway Company, the opening up of a rich but then isolated and undeveloped country, and the ultimate production of coal so much greater than the needs of the Company as to create a remunerative business in merchantable coal, and the arrangements were consummated.

As no mention was made in any of these negotiations of the possibilities or probabilities, as an oil-producing region, of the country the Erie Railway Company was then about to largely control, it is safe to assume that the parties interested were of those who thought lightly, if they thought at all, of

the prospects of McKean County, Pa., and the adjacent districts as a petroleum field, although even then many wells were down at and about Bradford—flowing wells and fair producers—and speculators and operators were flocking thither from all parts of the old oil country in Venango County. Even if the factor of petroleum had not subsequently come in to make the Erie Railway Company's consolidated interests still more valuable, Receiver Jewett's plan of dealing with the coal lands would have been wise and profitable. At the time the arrangement was made, the Buffalo, Bradford and Pittsburg Railroad (Bradford Branch of the Erie) was earning perhaps \$2,500 a month. A year later, the receipts from freight and passengers between Bradford and Carrolton, at the junction with the main line of the Erie, 24 miles, were over \$2,500 a day. This was the railroad that Cornelius Vanderbilt denounced in 1868 as the worthless road that had been foisted upon the Erie to enrich the Directors concerned in organizing it. His allegation was undoubtedly true at the time. The Buffalo, Bradford and Pittsburg Railroad was but a sorry one. It came into the possession of the men who unloaded it or the Erie Railway Company, in 1867, at a profit of \$75,000 apiece to them, although they were Erie Directors, but they would have been glad to have bought it back again in 1876 at many times the amount of the profit they made by disposing of it to the Erie Railway Company. They had builded for the Erie much better than they knew or suspected, otherwise they would have builded for themselves alone. The wonderful oil reservoir from which was poured forth unceasingly for more than ten years the yield of petroleum that supplied the world's demand had been tapped, and the Bradford Branch of the Erie became for the time its most valuable collateral property.

The suits that had been brought against James McHenry by Mr. Jewett as Receiver of the Erie Railway Company, and so continued by him as President of the New York, Lake Erie and Western Rail-

road Company, having passed through all the varied and tedious methods of procedure in the courts of this country, and been decided upon by the English Court of Chancery, invariably against McHenry, were at last passed upon finally April 24, 1883, in the United States District Court at New York, before Judge Coxe and a jury. The ground of the Jewett contention was that McHenry, as an agent of the Erie Railway Company, had, in 1873, 1874, and 1875, sold certain securities on behalf of that Company, and failed to account to it for the proceeds. This was the transaction in the bonds that President Watson had left in London to be disposed of, in 1873-74. The jury in the final action before Judge Coxe found for the Company in judgment to the amount of \$1,406,813.96. This made the aggregate amount of judgment the Company had obtained against McHenry nearly two millions and a half of dollars. The Company held 11,477 shares of the stock of the Cleveland, Columbus, Cincinnati and Indianapolis Railroad, and 13,000 Atlantic and Great Western extension certificates, representing a like number of the shares of the same stock. These securities were to be turned over to McHenry on satisfaction of the judgment. He submitted various propositions in writing to President Jewett, all of which were declined. He came to this country in the spring of 1884, for the purpose, it was thought, of settling the matter. He did not do so, and was preparing to return to Europe, when, April 9th, Jewett secured an order for his arrest in supplementary proceedings. McHenry then came to terms, and surrendered his claim to the securities, turning them over to the Company at a valuation of \$1,500,000. That left \$800,000 due on the judgment, which McHenry gave a written agreement to pay, one-half in one year and the balance in two years. The order of arrest was then vacated, and McHenry sailed for home. The litigation had been in the courts more than six years, had virtually ruined McHenry, and had not a little to do with bringing about the bankruptcy of Erie.

## CHAPTER XX.

### ADMINISTRATIONS OF JOHN KING, PRESIDENT, AND JOHN KING AND J. G. McCULLOUGH, RECEIVERS—1884 TO 1895.

I. RETRENCHMENT AND REFORM: A Start Toward It—A Stubborn Floating Debt—Ex-President Jewett Resents His Treatment by the King Management, and Erie Once More Dances Attendance on Courts and Lawyers—Another Erie Dividend, and the Last—Cheering Reports of the Prospects, but Doleful Actual Results—Erie Again Tottering Under Its Burden. II. IN THE OLD RÔLE OF BANKRUPT—The Floating Debt Asserts Itself—The Use of Interest Money to Quiet It Compels Default—Receivers Appointed to Take Charge of the Company—The Drexel-Morgan Plan to Rescue It from Its Dilemma—The Plan Opposed as neither Practical nor Just—A New Plan of Reorganization Submitted and Approved—The Efficiency of a \$100,000,000 Blanket Mortgage—Sale of the Railroad, and the Forming of a New Corporation—The Erie Railroad Company Arises from the Ruins of the New York and Erie Railroad Company, the Erie Railway Company, and the New York, Lake Erie and Western Railroad Company.

#### I. RETRENCHMENT AND REFORM.

THE avowed policy of the new administration was "Retrenchment and Reform." Retrenchment was begun at once by cutting down salaries. Mr. Jewett had been receiving \$40,000 a year as President of the Company. Mr. King's salary was fixed at \$25,000 a year. Other officers were reduced in pay from 30 to 50 per cent. The offices of Assistant to the President and Assistant Secretary were abolished. Other changes in the executive and operating departments, all on the score of economy, were made, and much of the luxurious space in the Coal and Iron Exchange Building in Cortlandt Street that the late Executive Department had occupied was abandoned for more modest quarters higher up in the same building. Rigid economy and curtailment were enforced in all departments, and it became a matter of comment that if Erie could be lifted out of trouble by saving money in running its business, Erie was surely on the high road to ways of pleasantness and peace.

It soon became evident that Mr. Jewett had departed from the Erie fold with no very warm feeling of cordiality toward the new order of things. This was first shown when he vigorously opposed the proposed removal of the office of the Chicago and Atlantic Railroad Company, of which he was President, from Chicago to New York, by which move, and the removal of the New York, Pennsylvania and Ohio

offices from Cleveland to New York, the new management declared that it could save \$50,000 a year. The Grant & Ward notes of the Jewett administration also came to the front early to plague the King management, in a suit brought by Walter S. Johnson, Receiver of the Marine National Bank, against the New York, Lake Erie and Western Railroad Company and the Chicago and Atlantic Railway Company, to recover on thirty notes, made by the latter Company in February and March, 1884, and endorsed by the former. The amount of the notes was \$405,000. The Erie management denied liability for the notes on the ground that its name as endorser was wrongfully used by Treasurer Bird W. Spencer, or some other person, and that no consideration had been given for them. The further charge was made that fraud had been committed upon the Company in the issuing of the notes by Grant & Ward to the Marine Bank, and that Bird W. Spencer, James D. Fish, and Grant & Ward acted in collusion, Spencer being a director in the bank, and Fish being its President, as well as a member of the firm of Grant & Ward. This suit was subsequently compromised. The Company paid \$310,000, and the hypothecated securities were returned to its treasury by the Marine Bank.

President King was not satisfied with the arrangement ex-President Jewett had made by which he secured the completion and control of the Chicago and Atlantic Railway as a link in the Erie and New



JOHN KING.



York, Pennsylvania and Ohio line to Chicago, and refused to contribute toward the payment of the interest on the \$6,500,000 Chicago and Atlantic bonds, according to the agreement made by Jewett between that company, the New York, Lake Erie and Western Railroad Company, and the New York, Pennsylvania and Ohio Railroad Company. Jewett, as President of the Chicago and Atlantic Railway Company, charged that President King was diverting freight and passenger traffic from that line to other lines. Early in May, 1885, Jewett brought proceedings before Judge Donahue, in the New York Supreme Court, to compel an accounting from the Erie, and an order was issued by the court directing that Company to keep the agreement with the Chicago and Atlantic.

Ex-President Jewett also opposed the Erie's efforts to maintain traffic relations with the Cincinnati, Hamilton and Dayton Railroad. In 1882 Mr. Jewett, as President of the New York, Lake Erie and Western Railroad Company, had effected an arrangement by which a transfer of a majority of the stock of the Cincinnati, Hamilton and Dayton Railroad Company was placed in his name, trust certificates being issued to the owners of the stock, on which 3 per cent. semi-annual dividends were guaranteed by the Erie. The stock was held by Mr. Jewett, subject to a voting proxy as the Erie Directors might decide. The continuance of the relations with the Cincinnati connecting line was extremely desirable to the Erie, but at the annual election in June, 1885, it was evident that the ex-President of Erie, in whose name the stock still remained, intended to vote it so that the Erie would be ousted from its relations with that road. The Erie Company took measures to compel him to vote the stock according to the spirit of the contract, but on his behalf a stockholder of the Cincinnati, Hamilton, and Dayton Railroad Company asked for an injunction restraining him from delivering the proxy to the Erie, or to restrain the Cincinnati, Hamilton and Dayton officers from counting the votes if they were so cast. The Superior Court judges before whom the case was argued at Cincinnati, May 26, 1885, decided that the contracts under which the stock was obtained for the Erie in 1882 were invalid, and that

the proxies could neither be voted by ex-President Jewett nor by the Erie.

The Buffalo and Southwestern Railroad Company began suit against the Erie, February 6, 1885, claiming that the interest on a mortgage for \$1,500,000, which had been guaranteed by the Erie in return for the lease of that railroad, had been permitted to go to default, January 1st. The complaint charged that the Erie was insolvent, and had been so since the first of the year, and demanded that the Company be enjoined from using its gross receipts until the amount of interest, \$345,000, was paid.

In the fall of 1885 the haunting floating debt began to be troublesome, and in November of that year the Company negotiated a loan on the pledge of the Long Dock property to pay the floating debt, by funding the coupons of the second consolidated mortgage bonds and the second consolidated funded coupon bonds, of June and December, 1884, June, 1885, and June, 1886, into a 5 per cent. gold bond due in 1909.

According to the first annual report of the King management, the earnings of the railroad for the year had fallen short of the expenses \$1,376,943.55. The burden of bonded debt was telling severely on the capacity of the property to sustain it, the outlay for interest alone having been nearly as much as the net earnings, which were \$4,587,055.98. The working expenses showed a decrease over 1884 of \$2,010,561.01. There was a decrease of \$692,301.36 on the net earnings.

As Trustee under the agreement between the Erie and the Chicago and Atlantic Railroad Company, ex-President Jewett held control of the latter Company, and the feeling between him and the new Erie management made the relations of the two roads anything but pleasant. President King was desirous that the Chicago and Atlantic should pass to the control of his management, as that railroad was his only outlet to Chicago in direct connection with the Erie. The terms of the lease of the New York, Pennsylvania and Ohio Railroad to the Erie he charged were so onerous that they could not be maintained without loss to the Erie. On this ground he twice had the terms modified. March 5, 1886, determined to bring about the removal of Jewett

from the control of the Chicago and Atlantic Railroad if possible, President King had recourse to the courts. On that day the Farmers' Loan and Trust Company of New York asked for the appointment of a Receiver for the Chicago and Atlantic Company before Judge Walter Q. Gresham, at Chicago, on the ground that the company was in default of interest on bonds. The motion was opposed by counsel in the interest of Mr. Jewett. The plaintiff cited the Jewett hostility to the Erie, and declared that he was diverting business from that railroad by using the Chicago and Atlantic against it, although the Chicago line had been built by Erie funds to make it an adjunct of its own as a western outlet. The hypothecating of the \$2,500,000 second mortgage bonds of the Chicago and Atlantic Railway Company with Grant & Ward as collateral for a loan, under the Jewett management, was referred to, and the claim was urged that the Western company was indebted to the Erie in that amount, this being before the settlement of the Grant & Ward transaction.

April 8, 1886, Judge Gresham decided that Jewett had been made Trustee of the Chicago and Atlantic Railroad Company simply because he was President of the New York, Lake Erie and Western Railroad Company, and could be relied upon to control the road as the western outlet of the Erie. Judge Gresham held that the holders of the past due and unpaid coupons were entitled to their money, irrespective of the arrangement between the two companies, and that if they were not paid it would become necessary to appoint a Receiver. A Receiver was subsequently appointed, and August 12, 1887, the road was sold to the Erie for \$6,000,000, and August 31, 1887, the company was reorganized as the Chicago and Erie Railroad Company, with all the stock in possession of the Erie, which gave that Company virtual ownership of the line. S. M. Felton, First Vice-President of the New York, Lake Erie and Western Railroad Company, was elected President of the new company. Eben B. Thomas, Second Vice-President of the Erie, was made General Manager.

The annual Erie report for 1886 showed an increase in net earnings of the entire system over those

of 1885 of \$3,915,984.37, and an increase of expenses of \$2,041,121.41. The earnings were sufficient to pay expenses and leave a surplus of \$14,610.95. Nearly \$2,000,000 were expended in work on the road "that should have been done in previous years," the report declared—ballasting, train-sheds, cross-ties (the laying of ties alone costing \$708,193.08); 10,000 tons of steel rails were put down; \$450,000 worth of new rolling stock was added; \$214,000 was expended in ballasting. The following Board of Directors was elected for the ensuing year:

John King, J. G. McCullough, J. Lowber Welsh; Courtlandt Parker, Henry H. Cook, William Libby, William A. Wheelock, William Whitewright, George W. Quintard, Ogden Mills, William L. Strong, William B. Dinsmore, Morris K. Jessup, James J. Goodwin, William N. Gilchrist, Josiah Belden, Joseph Ogden.

John King was reelected President; S. M. Felton, First Vice-President; Andrew Donaldson, Third Vice-President; A. R. Macdonough, Secretary; Edward White, Treasurer.

To all outward appearances Erie was sailing smoothly along toward a safe harbor at last. The annual report for 1887 sparkled with statements of increased earnings, increased surplus, increased tonnage, increased passenger traffic, increased rates, increased steel rail-laying, increased equipment quota. The same Board of Directors was elected, the same officers; the same policy prevailed: "Retrenchment and Reform." In 1888, 13,000 tons of new steel rails were laid, and forty-one new locomotives purchased. November 27, 1889, the Board of Directors—which was the same, except that S. M. Felton, Jr., had succeeded Joseph Ogden, and W. F. Reynolds had taken the place of Director Dinsmore, who died in 1888—resolved to resume payment of interest on the Company's income bonds in January, 1890, the first interest that had been paid on them in nine years. January 21, 1890, the Board voted that a dividend of 1 per cent. on the preferred stock had been earned and was payable for the quarter ending December 31, 1889, and would be payable quarterly thereafter. "The time had arrived when extraordinary expenditures for improvements and the necessities of the

property were no longer necessary." The dividend was made payable February 14, 1890, with the declaration by the Board that it was believed that "the dividend could not only be maintained, but gradually increased, the property at the same time being kept up in good condition."

This was the most reassuring news that had come from Erie quarters in many a day. President Jewett had paid some dividends, not many years before, and he had made declarations anent them every bit as rosy as these later ones from his successors. But people had forgotten that. And they knew little about that persistent floating debt that stalked about in Erie's marble halls. The dividend was paid. The year passed. At the annual election of 1890 S. M. Felton, Jr., whose rather arbitrary ideas of railroad management, and habit of asserting them, had not met with the approval of some members of the Board, retired as a Director and First Vice-President, and was succeeded by Eben B. Thomas, whose practical methods and capacity had made a much different impression on the Directory. President King was reelected. The annual report halted a little. Business had been large, but rates low, due to the action of rival lines. The dividend which was to have been "payable quarterly" right along, and "gradually increased," was not declared this year, but the Board resolved to pay the interest on the income bonds, January 15, 1891. The dividend was not resumed. It was the last Erie dividend up to date (1898). Disorganization, if not demoralization, of railroad rates continued. The floating debt grew apace. The burden of Erie was slowly but surely getting to be more than it could bear.

## II. IN THE OLD RÔLE OF BANKRUPT.

From early in 1893 the inability of the Company to maintain itself against the effects of continued decrease in earnings, and the pressing demands of creditors whose accounts were past due, had been believed in and talked about by a very confident portion of Wall Street, and the ease with which Erie stock yielded to every hostile assault of the bear element showed that there was nothing back of it to sustain it or to give it stability. The management

of the Company, while not admitting that the future was dark, did not deny that difficulties were confronting it as a result of the floating debt, which was said to be upward of \$6,000,000, an estimate that subsequent revelations proved to be much below the actual fact. Yet as late as March 19, 1893, the *New York Times'* money article was thus positive in its treatment of a prevailing rumor:

"An absurd rumor has got into circulation that the Erie is in danger of a receivership. This is nonsense. The company had a floating debt at the date of its last report of about \$5,000,000, which is probably rather larger now, and doubtless it is experiencing trouble with its paper from the conditions of the money market. That is the extent of its difficulties. In June it has to meet the interest on its \$25,000,000 of second consols, but in these bonds there is what might be called an emergency clause, expressly drawn to enable the company to tide over times of difficulty, whereby it is entitled to postpone the payment of six consecutive coupons on the bonds before foreclosure proceedings can be instituted. The company has availed itself of the privilege in the past, the outstanding funded coupons representing the defaulted interest. Previous to this the seconds had declined to 40 or 50."

June 11, 1893, Vice-President Thomas, in denying rumors as to financial troubles of the Erie, said: "The interest due on bonds June 1st was paid, and the interest due July 1st is provided for. The Erie is in as good condition financially to meet its obligations as at any time in the years the present management has been in charge."

That Erie was in such "a condition financially" was undoubtedly the exact truth, for at no time within those years had the Company been in any better condition to meet its obligations than it was in June, 1893. The Company was bankrupt *de facto* when it passed to its new control, and that the time when it must become a bankrupt *de jure* was held off so long was a striking demonstration of the tact and resourcefulness which the new *régime* had been able to bring to bear in the management of the Company's unpromising affairs, and in judicious shifting and manipulating of the heavy burdens Erie bore upon its chafed and weary shoulders. But the inevitable was simply being postponed, and the further postponement could be of but short duration, so short that, July 25, 1893, the Executive Committee of the Board, acting under previous resolutions passed by the full Board, came to the relief of the

strained situation by deciding to place the Company in the hands of Receivers, and the motion for the appointment of them was made before Judge Lacombe, of the United States Circuit Court, the same day. His appointees were President John King and Director John G. McCullough, they having been selected by the Directors for the task. In explanation and justification of this proceeding, the Board made the following statement: "This measure was taken purely in the interests of the road and its creditors. Within the last few weeks, during the severe money stringency, the floating debt of the Erie (which every one knows has existed for the past few years) became impossible of renewal, and in order to not sacrifice the best interests of the Company, it was decided to place the road in Receivers' hands and preserve the system intact, and preserve and develop the transportation business of the Company. The owners of its securities should not sacrifice their holdings because of this step. The names of the Directorate of the Erie are a sufficient guaranty of the honest and intelligent management of the interest committed to their hands."

The formality necessary to conserve the legal requirements of the proceeding was a complaint entered by Trenor L. Park, in which he set forth that he was a creditor of the Company to the extent of \$200,000 in bonds and other securities. December 1, 1892, to meet a pressing necessity of the Company, he had advanced, on a demand note, \$34,000. This the Company was unable to meet. The complaint averred, furthermore, that the net earnings of the Company were diverted from their proper channels, and a floating debt of over \$5,000,000 had been contracted for improvements, wages, traffic balances, and other expenses. Other creditors were pressing their claims against the Company, and there was danger of attachments and court proceedings that would prove to be detrimental to the holders of the mortgage bonds if these were not prevented. A large part of the liabilities consisted of loans made by banks, trust companies, and individuals, part of which had been secured by the depositing of collateral by the Company, but the depressed state of the stock market had greatly reduced the value of that collateral. Many of the loans were entirely

unsecured. A large part of the debt was owed to connecting lines, which would withdraw traffic arrangements unless the over-due accounts were settled. The interest on the first mortgage bonds of the Company was to fall due September 1st, and December 1st the interest on the second mortgage bonds was to be payable. The former amounted to \$720,894, and the latter to \$1,255,030. Calls for margins were becoming more frequent and more pressing, and to save the collateral deposited, and to prevent the Company from falling into the hands of the creditors, some of whom were by no means friendly to it, Receivers were asked for.

July 26th the papers in the action were filed in court, and Judge Lacombe approved of the bondsmen, D. O. Mills and J. Lowber Welsh, who qualified in \$500,000 each as securities for the Receivers. The announcement of the Receivership, although the probability of it had been long discounted, had a disastrous effect in Wall Street, it being quickly followed by a sharp decline in all kinds of railroad securities, although just why Erie's troubles should have caused so general a "slump" in the market is to this day not exactly clear. It was, to be sure, a time of universal suspicion, and the bears of the Street used it to its full value and reaped their harvest. That there was no real cause for the alarm that seized holders of railroad stocks was shown by the rapid recovery of the Street from the excitement of the 26th, the tumbling stocks rallying next day to almost the position they held when the news of Erie's fourth failure reached the Street.

During the succeeding five months the management bent its efforts toward evolving a plan of reorganization of the finances of the Company, the result of which labor was submitted to the bond and shareholders January 2, 1895. The circular through which it was submitted stated that Drexel, Morgan & Co., of New York, and J. S. Morgan & Co., of London, had agreed to assist in carrying out the plan, which involved the making of a mortgage to run for one hundred years, covering the property of the New York, Lake Erie and Western Railroad Company, the leasehold of the New York, Pennsylvania and Ohio Railroad Company, and the stock of the Chicago and Erie Railroad Company, thus giving

control of the entire line between New York and Chicago, and securing bonds limited to the amount of \$70,000,000, bearing interest at 5 per cent. from December 1, 1893, principal and interest payable in gold. Of this mortgage, \$33,597,400 was to be used to acquire the second consolidated mortgage bonds of the reorganization of 1878, conditioned on each depositor of such bonds subscribing and paying in 90 per cent. and interest for additional bonds and interest, in the proportion of a \$1,000 new bond for each \$4,000 of second consolidated bonds deposited; \$4,031,400 to acquire the funded coupon bonds of 1885, at par, on the same conditions of deposit; \$508,008 to acquire the income bonds, at par, each depositor of such bonds to subscribe and pay 90 per cent. and interest for additional bonds of the new issue to the amount of income bonds deposited. Of the proposed new mortgage bonds, \$9,915,208 were to be for subscription by depositors of second consolidated mortgage bonds, funded coupon bonds, and income bonds, as above; \$6,512,800 were to be reserved to acquire or provide for the first lien bonds and collateral trust bonds of the reorganization of 1878, on such basis as the new mortgage should provide; \$15,485,184 were to be specially set apart and used, under proper restrictions, only for construction, equipment, the acquisition of new property and betterments, etc., to an extent not exceeding \$1,000,000 in any one year, except that the bonds thus reserved might be further used in any year to the extent of \$500,000 if necessary, in order to acquire existing Car Trust liens; the second consolidated and funded coupon bonds of 1885 to be kept alive, when acquired, and deposited with the Trustee, who was to hold them as long as might be deemed necessary for the protection of the new bonds.

The circular dwelt particularly on the peculiar terms and conditions of the second consolidated mortgage bonds, which had practically precluded the Company from securing the necessary funds for the expenditures that had confronted it for years in providing for the development of the transportation facilities and the protection of the Company's property. "It is true," the circular stated, "that the conditions which have confronted the Company were

contemplated in 1878, when the second consolidated mortgage was created, and, with this in mind, a provision was inserted in it to the effect that no foreclosure rights should accrue to the bondholders unless the Company should default in the payment of six successive coupons. This peculiar provision has at all times deprived the second mortgage bonds of the market character they would be entitled to under ordinary circumstances, and if the legitimate requirements of the Company had been properly provided for. The necessity of procuring construction funds by defaulting in interest obligations is, of course, discreditable to the Company and disastrous to its second mortgage bondholders, and the possibility of its recurrence at any time is a constant menace to the latter; but so long as no other means are available, its recurrence is almost a matter of necessity."

In such a situation it was the unanimous opinion of the Board that such change should be made as would obviate the perplexing difficulties, which they thought might be done by creating a new mortgage to run one hundred years, to acquire outstanding obligations as outlined above. This arrangement, it was claimed, would provide for the floating debt, then nearly \$9,000,000, and for the outstanding Car Trust obligations, amounting to \$6,000,000, and the fixed charges of the Company would not be increased.

In a circular of even date, Drexel, Morgan & Co. and J. S. Morgan & Co. warmly endorsed the plan (which was but natural, as it had been drawn up from suggestions submitted by them), and urged its prompt acceptance by the holders of the securities affected by the proposed reorganization.

Analyzed, this reorganization scheme meant that a cash contribution of \$9,000,000 was asked, not from the stockholders, but from the second consolidated mortgage bondholders, to whose rights those of the stockholders were subordinate. These bondholders were to consent that the interest on their bonds should be reduced from 6 per cent. per annum to 5 per cent., and that their security should be weakened by increasing the total amount secured by their mortgage from \$40,000,000 to \$70,000,000, of which \$70,000,000 they were to receive an amount

equal to that which they held of the \$40,000,000 issue, and, besides, were to purchase 22½ per cent. more at 90 cents on the dollar in cash. The practical result was to have been that the holder of \$4,000 of the \$40,000,000 bonds at 6 per cent. would have paid \$900 in cash and become the owner of \$5,000 in bonds of the 5 per cent. \$70,000,000 issue, thus receiving as compensation for the \$900 an increase of annual income from \$240 to \$250.

This plan met with prompt opposition from prominent holders of Erie securities, or representatives of Erie bondholders. Such capitalists and representatives of capitalists as Kuhn, Loeb & Co.; August Belmont & Co.; Hallgarten & Co.; Vermilye & Co.; the United States Trust Company; J. D. Probst & Co.; Charles J. Peabody, Agent of the Astor Estate; and E. H. Harriman were among these. They suggested, and, in fact, insisted on, material modifications of the reorganization plan, so that it might be more equable and just to those who were to make sacrifices to carry it forward. January 30, 1895, these objectors to the plan addressed President King in a letter on the subject. He replied, February 5th, saying that all the points the writers submitted had been fully considered in formulating the plan proposed by the Company, and that subsequent consideration had confirmed him in the opinion that the modifications asked for were not for the best interests of the Company.

Soon afterward a "Protective Committee," consisting of E. H. Harriman, Henry Burdge, of Hallgarten & Co., John J. Emery, and Sidney Webster, was appointed by the protesting bondholders to organize and press the opposition to Drexel, Morgan & Co.'s plan of reorganization, and endeavor to secure the desired modifications. The Committee retained Evarts, Choate & Beaman as their counsel. March 1st the Committee addressed a circular to the Company, in which the objections to the reorganization scheme were set forth as follows:

*First.*—That by enlargement of the issue from which the bonds to be exchanged for ours are to be taken it reduces our security by more than one-half.

*Second.*—That no proper equivalent is offered for the reduction of interest on our bonds.

*Third.*—That the requirement to purchase new bonds at more than their value (being in effect an assessment on the

bondholder) is an unjust and hitherto unheard of imposition by a debtor upon a secured creditor.

*Fourth.*—That if an assessment may be forcibly demanded and collected by a debtor of a second creditor for the preservation of the debtor's property and to keep it in his control, this plan does not go far enough. The contribution demanded is not sufficient to put the company on a sound and interest-paying basis.

*Fifth.*—It calls for no effort or sacrifice on the part of the debtor company to preserve its property and redeem it from insolvency.

*Sixth.*—The scheme, if successful, would tend to establish a dangerous precedent which would be a discredit to American railroad finance, violating the plain obligations of the contract of security, and tend to increase distrust in all American railroad securities.

We also regard as objectionable, considering the relation of the parties, the language of the circular of the company and its bankers, containing an implied threat of punishment to those declining their proposition, and the scant consideration given to suggestions by the bondholders for a modification of the scheme.

March 6, 1894, in a circular letter to the holders of the bonds to be affected by the proposed reorganization, Drexel, Morgan & Co. gave notice that deposits of outstanding bonds made after March 21, 1894, "if received," would be subject to such penalties as they might see fit to thereafter fix. The same day, at a meeting of the stockholders, at which 630,000 shares were voted upon (623,000 being voted by President King), the reorganization scheme was ratified. March 14, 1894, Evarts, Choate & Beaman gave their clients a long and exhaustive opinion on the question of the impairment of bondholders' legal rights by the Drexel, Morgan & Co. scheme, holding that the plan was fatally defective in that respect, and could not hold in law. The Protective Committee, on the strength of this opinion, appealed to the bondholders not to deposit their bonds with Drexel, Morgan & Co., under the fear that failure to do so would destroy the life of their securities, but to delay such deposit in the interest of a modified plan. But in spite of these efforts of the opposition to show bondholders how onerous the terms of the Erie reorganization plan were to them, by far the larger part of them accepted it and agreed to pay in the \$9,000,000 it demanded from them.

The entire issue of bonds for the new \$70,000,000 mortgage was printed, and deposited with the Farmers' Loan and Trust Company as Trustee, March 16, 1894. The mortgage was formally re-



*Is McCullough*



corded April 18th, but May 30th Drexel, Morgan & Co. announced that owing to opposition to the plan of reorganization the new bonds would not issue until certain legal questions were settled. June 19, 1894, John J. Emery, for himself and other bondholders, through James C. Carter, Charles C. Beaman, and Charles B. Atterbury as counsel, sought an injunction from Judge Ingraham in the Supreme Court, Chambers, to restrain the issue of the bonds, which motion was denied.

But an obstacle more difficult to overcome than injunctions or tedious law-suits had intervened to discredit the reorganization plan, bring about its eventual abandonment for another, and spare the second consolidated mortgage bondholders the sacrifice demanded from them. The interest on the bonds in default being only \$2,400,000 a year, and that on the proposed new issue being \$3,500,000, it was inevitable, unless the business of the road greatly improved, that a default on the new bonds should speedily take place. Such default was actually made on the first coupon of the issue. It has never been figured out yet how it was expected that a road that could not earn enough to pay an obligation of \$2,400,000 could start in, under even more depressing circumstances, and earn enough to pay a debt more than a million dollars greater than that amount.

Recognizing the danger that beset their plan through this default on the very threshold of its existence, Drexel, Morgan & Co. issued a circular, December 10, 1894, in which they announced that unless depositors of bonds, according to the requirements of the reorganization plan, would consent to waive payment of the June and December coupons until the earnings of the road after December 1, 1894, were sufficient to pay them, the plan would have to be abandoned. No call had been made for subscriptions, and \$32,000,000 out of \$38,000,000 of the second consolidated mortgage bondholders had deposited their bonds as requested. A majority of the bondholders had acceded even to the making of this additional sacrifice by April, 1895, but yet the stability of things did not seem to be of a character calculated to assure the future of either the reorganization plan or the welfare of the Company under it, so a new plan was subjected to the processes of evo-

lution. It was fashioned into form August 26, 1895. This reorganization scheme proposed to consolidate, in the ownership of a single new corporation, thereafter to be created, the properties belonging to the New York, Lake Erie and Western, the New York, Pennsylvania and Ohio, and the Chicago and Erie Railroad Companies, and forming a continuous line of railroad from New York to Chicago, with numerous branches. Upon this consolidated line and its branches the new corporation was to place a mortgage for \$175,000,000, bearing interest at the rate of 4 per cent. per annum, of which \$35,000,000 was to be prior in lien to the remaining \$140,000,000, called general lien bonds. The corporation was to have common stock to the amount of \$100,000,000, first preferred stock to the amount of \$30,000,000, and second preferred stock to the amount of \$16,000,000. The common stock, the preferred stock, the \$35,000,000 prior lien bonds, and \$30,000,000 of the \$140,000,000 general lien bonds were to be issued at once, leaving \$110,000,000 of the general lien bonds to take up unmatured existing mortgage bonds and to provide for improvements.

To supply the ready money needed to carry out the scheme, the Erie stockholders were called upon to contribute \$12 per share on the common stock and \$8 per share on the preferred, making in all \$10,000,000, besides which \$15,000,000 of the prior lien bonds were to be sold to a syndicate at 95, yielding \$14,250,000 more.

According to the figures given by the Company in the promotion of this plan, the annual fixed charges of the new company for the rentals and the interest left undisturbed by the proposed reorganization were these:

Interest on Bonds of the Erie System Proper.....	\$2,112,727
Rental on Leases of that System.....	1,699,188
Interest and Rentals of the New York, Pennsylvania, and Ohio System.....	1,261,019
Interest and Rentals of the Chicago and Erie Railroad Company.....	615,000
Total .....	\$5,687,934

Adding to this the interest at 4 per cent. on the proposed issue of \$35,000,000 prior lien bonds, amounting to \$1,400,000, and of 3 per cent. on \$29,433,000 general lien bonds, amounting to

\$882,990, made a total of \$7,970,924. For the year 1894 the net earnings of the separate properties of which the new consolidated system was to be composed were but \$7,400,000, which left a deficiency of \$570,924 to be made up out of increased net earnings in the future.

In the circular submitting this plan it was announced that the net earnings of the properties were for several years prior to 1893-94 sufficient, on an average, to pay not only the proposed fixed charges, but also to leave a surplus of \$1,500,000 for the stockholders. The Company candidly admitted, however, that nearly the whole of this \$1,500,000 was derived from trackage paid by the Lehigh Valley Railroad Company, which income ceased in 1892. The estimate of fixed charges under the new plan being \$7,850,000 per annum, to pay this the net earnings would have not only to equal those of 1893-94, but exceed them by \$450,000.

This plan was entered into subsequent to the decree of foreclosure sale of the New York, Lake Erie and Western Railroad property, which decree issued from the Circuit Court of the United States for the Southern District of New York, August 21, 1895. Under the plan, upward of 750,000 shares of the common and 82,000 of the preferred stock were deposited with the Reorganization Committee, Charles H. Coster, Louis Fitzgerald, and Anthony J. Thomas, who also held upward of \$32,700,000 of the second consolidated bonds of 1878, upward of \$3,700,000 of the funded coupon 5 per cent. bonds of 1885, and upward of \$475,000 of the income bonds. The actual assessment on the stock to be deposited was \$18 a share on the common and \$12 on the preferred, a deduction of \$6 per share on the former and \$4 on the latter being allowed if shares were deposited on or before September 20, 1895, and the assessments paid in four equal installments on September 20, October 21, November 21, and December 23, 1895.

The new plan was received with general favor. In the first place, warned by the failure of the plan of January, 1894, wherein new bonds were rated at higher figures than their intrinsic merits justified, the committee had made a more thorough examination into all the affairs—great and small—of the Erie,

and arranged their plan accordingly. Then, in order to justify the severity with which the junior bonds and shares of the old system were to be treated, the Committee found itself obliged to make a confession which, no doubt, it was loath to put in print—that the alleged surpluses shown in the annual reports for the five years previous to 1894 were at least twice as large as the actual earning capacity of the Company.

This was the second time the truth had been bluntly told about Erie, the first being the memorable uncovering of the Company's true condition by President Jewett in the spring of 1875.

That feature of the Erie plan which contemplated one organization to control all the lines and properties was heartily commended. Any one who had followed the train of vicissitudes that had attended the Erie's efforts to compete with rival lines by dependence on the uncertain tenure of traffic arrangements with alien lines, and the fleeting advantages of leases of connecting lines, or control of them by dickering for their stock, could see at once that such a consummation as this could not fail to add greatly to the efficiency of the system as a whole. The new plan also provided several millions of new capital for pressing improvements, a thing from whose lack the Erie had suffered from its earliest days.

The road was sold under foreclosure November 6, 1895, for \$20,000,000. Francis Lynde Stetson, representing the purchasers, Charles H. Coster, Louis Fitzgerald, and Anthony J. Thomas; and David McClure, representing the Farmers' Loan and Trust Company, appeared before Judge Lacombe, in the United States Circuit Court, November 9th, and asked for a confirmation of the sale. William Wallace MacFarland, representing the New York, Pennsylvania and Ohio Railroad Company, interposed a formal objection on the ground that he did not think the court had jurisdiction to foreclose the mortgage. November 11th Judge Lacombe dismissed the objection, and confirmed the sale. The New York, Lake Erie and Western Railroad Company, which had been comprehensive only in name, ceased to be, and the Erie Railroad Company, its great scope being in no sense represented by its title, succeeded to the demesne, rights, titles, and franchises of the old Company, and to rights, titles, and franchises in efforts

to secure which various of the new Company's predecessors had called up many troubles to sorely plague them.

The plan of readjusting and reorganizing the Company was in the hands of Charles H. Coster, Louis Fitzgerald, and Anthony J. Thomas. They had wide discretionary powers. The certificate of incorporation of the Erie Railroad Company was filed in the office of Secretary of State John Palmer, at Albany, N. Y., November 14, 1895. The incorporators or temporary directors named were Temple Bowdoin, Charles H. Coster, J. H. Emanuel, Jr., A. H. Gilland, A. B. Hopper, Thomas W. Joyce, Walter S. Kermeys, J. P. Morgan, Jr., Francis Lynde Stetson, Mortimer F. Smith, W. T. Townsend, J. H. Tierney, and E. B. Thomas. The capital stock of the Company, as fixed by the plan of reorganization, was \$146,000,000, divided into 300,000 shares of non-cumulative 4 per cent. first preferred stock; 16,000 shares of non-cumulative 4 per cent. second preferred stock; and 1,000,000 shares of common stock, each class being of a par value of \$100 per share. The first preferred stock had the prior call for dividends (non-cumulative) at the rate of 4 per cent. per annum, beginning with June 30, 1896, out of the undivided net profits of the Company, whenever, in the opinion of the Board of Directors, a dividend might be declared. The second preferred stock was entitled to no dividend, except when there should remain a surplus undivided net profit after a dividend on the first preferred stock had been paid. Dividends on the common stock were payable out of the surplus only that might remain after both the preferred stocks had been paid full dividends from the profits of any fiscal year.

Under the plan of reorganization a mortgage or trust deed was given to secure two series of bonds, known respectively as prior lien bonds and general lien bonds. The authorized issue of the former series was \$35,000,000, bearing interest at 4 per cent., and of the latter issue \$140,000,000, with interest at 3 per cent. until July 1, 1896, and 4 per cent. thereafter, interest and principal of both series to be paid in gold, the life of the mortgage being one hundred years, or until January, 1996. The

prior lien bonds, as their name indicates, had priority over the general lien bonds in regard to payment of principal and interest, and the rights of their holders could not be affected by foreclosure of the lien of the general lien bonds.

Out of the \$35,000,000 of prior lien bonds, \$15,000,000 were issued at once, and the proceeds, together with the cash received from assessments of stock, used for reorganization purposes and for taking up outstanding obligations of the New York, Lake Erie and Western Railroad Company, as follows:

Reorganization First Lien Bonds, issued under the Mortgage of October 5, 1878 (Principal).....	\$2,500,000
Collateral Trust Bonds, secured by Trust Deed of November 1, 1882 (Principal).....	3,344,000
Equipment Trust Obligations to mature within three years, estimated at (Principal).....	2,000,000
Any Floating Indebtedness of that Company or the Chicago and Erie Railroad Company, or any Company in its System, and any Certificates and other Indebtedness of the Receivers of the New York, Lake Erie, and Western Railroad Company, estimated at.....	11,500,000

The balance of the issue of prior lien bonds was reserved for use as follows: \$14,400,000 for the purchase of the railroad and property of the New York, Pennsylvania and Ohio Railroad Company, subject to a mortgage of \$8,000,000; \$5,000,000 for the enlargement and improvement of terminal facilities at Jersey City, Buffalo, and elsewhere; reducing grades; constructing double track, and purchasing additional equipment. The cost of the Nypano (which has come to be the official designation of the New York, Pennsylvania and Ohio Railroad) involved an annual fixed charge of \$1,741,386, which, in the light of the average net earnings of that road since 1885 (\$1,811,758), was not an unwise responsibility to assume.

From the total of the general lien bonds, \$30,927,000 were issued at once for reorganization purposes. Of the remainder, \$79,918,000 were reserved to take up at or before maturity outstanding bonds of the New York, Lake Erie and Western Railroad Company, the Chicago and Erie Railroad Company, and the New York, Pennsylvania and Ohio Railroad Company, and of other lines, lands, and properties in which the Company was interested, as lessee or

stockholder; \$8,636,000 to acquire the stock of companies subsidiary to the Erie system; \$4,092,000 to take up equipment bonds and trust certificates, notes, or obligations; \$17,000,000 for new construction, betterments, equipment, and acquisition of new property along lines leased or controlled by the Company, or in which it was interested as a holder of a majority of stock, not over \$1,000,000 of the reserved bonds to be thus used in any one year after January 1, 1898. This new mortgage specifically provides that all outstanding divisional liens (except the New York and Erie first mortgage bonds of 1845, which might be extended at maturity, and which were extended, May 1, 1897, for forty years), must be paid at maturity and cancelled, or acquired and pledged, or cancelled and renewal bonds pledged, under the mortgage, thus in time making the prior lien bonds an absolute first mortgage, either by direct lien or through collateral trust, on the entire consolidated properties, except on the Buffalo and Southwestern Railroad, on which there is a lien not intended to be retired by the general lien bonds, and on which those bonds will be a mortgage subject to the prior lien bonds. The mortgage (or more properly, the mortgage deed) is substantially a first lien, either by mortgage or by collateral trust, upon the Company's principal coal properties, upon its water transportation lines (including valuable terminal properties appurtenant thereto), and upon its valuable local railroads in New Jersey and near Buffalo; a second lien (subject only to some of the divisional mortgages) upon the remaining coal properties; upon the terminals at Jersey City; upon the Buffalo, New York and Erie Railroad; upon the Buffalo terminal properties, other than those upon which it is a first lien; and upon the entire line from Salamanca, N. Y., to Chicago; and a second consolidated mortgage upon the lines of the original New York and Erie Railroad Company, between Piermont and Dunkirk.

The denomination of the bonds issued under this mortgage is \$1,000 each. The Company is obligated to the payment of all taxes, present or future, on the bonds.

Following is a list of bonds and stocks pledged under the mortgage:

## BONDS.

TITLE.	Date.	Int. Rate %.	Principal Payable.	Total Issue.	Amount Pledged.
Buffalo, Bradford & Pittsburg RR. Chic. & Erie RR. Income bonds.	1865	7	Jan. 1896	\$580,000	\$185,000
Middletown & Crawford RR.	1890	5	Oct. 1982	10,000,000	9,776,000
Newark & Hudson RR.	1871	4½	Apr. 1921	66,000	57,200
N. Y. L. E. & W. Dock Improvement Co.	1871	7	Sept. 1901	250,000	250,000
N. Y. L. E. & W. Coal & RR. Co.	1883	6	July 1913	4,000,000	604,000
Paterson, Newark & N. Y. RR. Co.	1882	6	May 1922	3,000,000	1,900,000
Suspension Bridge & Erie Junction RR.	1868	7	Jan. 1878	500,000	499,000
	1870	7	July 1900	1,000,000	35,000
Total					\$13,306,200

## STOCK.

NAME OF COMPANY.	Total Capital.	Amount Pledged.	Basis of Ex. % of Par.
Arnot & Pine Creek RR.	\$255,000	\$255,000	
Bergen County RR.	200,000	200,000	
Bergen & Dundee RR.	40,000	40,000	
Blossburg Coal Co.	1,000,000	1,000,000	
Buffalo, Bradford & Pittsb'g RR.	2,286,400	2,189,000	10
Buffalo Creek RR.	250,000	125,000	
Buffalo, N. Y. & Erie RR.	950,000	823,000	150
Chicago & Erie RR.	100,000	100,000	
Cleveland & Mahoning Vy. RR.	3,000,000		225
Conesus Lake RR.	19,100	18,750	
Elmira State Line RR.	90,200	61,000	100
Goshen & Deckertown RR.	96,190		70
Hillside Coal & Iron Co.	1,000,000	1,000,000	
Jefferson RR.	2,095,450	2,095,450	100
Long Dock Co.	800,000	800,000	
Middletown & Crawford RR.	122,200	80,000	20
Montgomery & Erie RR.	150,000		70
Newark & Hudson RR.	250,000	250,000	
Newcastle & Shenango Vy. RR.	145,750		10
N. Y., L. E. & W. Docks & Improvement Co.	604,400	604,400	
Northwestern Mining & Exchange Co.	500,000	500,000	
Paterson, Newark & N. Y. RR.	250,000	250,000	
Pavonia Ferry Co.	100,000	100,000	
Rochester & Genesee Valley RR.	405,800		100
Sharon Ry.	433,350		125
Suspension Bridge & Erie Junction RR.	500,000	499,200	100
Tioga RR., preferred.	189,700	189,700	
Tioga RR., common	391,200	390,900	20
Union Steamboat Co.	1,000,000	1,000,000	
Union Dry Dock Co.	150,000	150,000	
Total	\$17,294,340	\$12,722,700	

All of the companies named above whose stocks are not pledged as collateral under this mortgage, are secured to the Erie by long leases.

All classes of stock in the new corporation are vested in Voting Trustees, who are to hold it, under a trust agreement with the Committee, for five years, and for such further period as may elapse before a 4 per cent. cash dividend is paid on the first preferred stock, the trust to be terminated, however, at the discretion of the Trustees, they to issue stock trust certificates entitling registered holders to receive stock certificates for the number of shares stated in the trust certificates, and payments to the amount of dividends collected by the Voting Trustees upon those shares, which are, with all voting powers and other interest, to remain vested in the Voting Trustees until the shares shall become deliverable according to the provisions of the stock trust certificates. Registered owners of prior lien or general lien bonds without coupons, or registered coupon bonds, or persons in whose names coupon bonds stood registered within one year prior to the date of a meeting, have the right to vote after the termination of the Voting Trust, one bond of \$1,000 entitling the holder to the same vote as ten shares of stock. The Voting Trustees named under the plan were J. Pierpont Morgan, Louis Fitzgerald, and Sir Charles Tennant, Bart., and they are still in office (1898).

None of the \$5,000,000 prior lien nor of the \$17,000,000 general lien bonds reserved for construction requirements was used. Of the fund received from the Reorganization Committee for early construction requirements and improvements, amounting to \$4,343,850.13, to which was added the proceeds of \$383,000 of New York and Greenwood Lake prior lien 5 per cent. bonds received from the Committee (\$363,850), making total cash received \$4,707,700.13, there was expended for construction and equipment and old Car Trusts \$3,467,036.39, leaving still available \$1,210,663.74 in cash.

The Reorganization Committee submitted their final account to the Board early in 1896, which, after examination, was approved and accepted. The balance turned over to the Company by the Committee far exceeded the expectation of the Board, and amounted to \$8,469,163.35, consisting as follows:

Cash .....	\$4,343,850 13
Securities for Construction Purposes.....	2,750,655 22
Securities for General Use.....	55,732 00
Securities held in Trust to be Pledged under the First Consolidated Mortgage Deed.....	1,318,926 00
Total .....	<u>\$8,469,163 35</u>

## CHAPTER XXI.

### ADMINISTRATION OF EBEN B. THOMAS—1895 TO 1899.

**I ERIE MADE EQUAL TO THE BURDEN:** Strengthened by Consolidation—End of the Atlantic and Great Western-New York, Pennsylvania and Ohio Corporation, the Long-Time Disturber of the Erie's Peace and Prosperity—A Policy of Actual Betterment of the Road, to the Full Limit of the Company's Resources for that Purpose, Proving Its Wisdom—For the First Time in Its History, Erie Pays as It Goes—Development Beyond Wildest Dreams of the Fathers—To What the Forty-six Miles of Railroad of 1841 Have Grown. **II. BUT AT WHAT COST:** What the Rehabilitated Erie Owes after All Its Years of Tribulation—\$300,000,000 of Debt Represented by Its Stocks and Bonds—And Erie Became Bankrupt Once Because It Could Not Pay \$40,000 It Owed for Interest.

#### I. MADE EQUAL TO THE BURDEN.

THE new Erie Railroad Company took possession of its property and assumed its operation December 1, 1895, with the following organization:

*Officers.*—E. B. Thomas, President; W. F. Merrill, Second Vice-President; A. Donaldson, Third Vice-President; G. G. Cochran, Fourth Vice-President; J. A. Middleton, Secretary; Edward White, Treasurer; J. T. Wann, Auditor.

*Directors.*—Charles H. Coster, James J. Goodwin, Abram S. Hewitt, Darius O. Mills, Alexander E. Orr, George W. Quintard, Samuel Spencer, Francis Lynde Stetson, E. B. Thomas, New York; John G. McCullough, Vermont; J. Lowber Welsh, Philadelphia; Samuel E. Williamson, Cleveland, O. One vacancy.

President Thomas, being a man of action, not words, made no public proclamation of his intentions, his hopes, or his fears as to the future of Erie. As a matter of fact, the author, in his search through the newspapers of that time for some expression of opinion by the new President of Erie on the subject, found that the aid of the newspaper interviewer in shaping the policy of the Company, and formulating measures for its welfare and success, was not forthcoming, something almost without precedent in the later history of Erie. If President Thomas felt that he had undertaken a mighty task, and one whose grave portent bade him hesitate and ask for prayerful guidance, he kept the knowledge to himself and went to work. He has been quietly at work three

years. Chronicles of the affairs of Erie have filled scarcely a column's space in any newspaper in all that time. In court corridors and chambers, where erstwhile in the one it had become a byword and in the other a monopolizer of the dockets, the name of Erie has gradually grown less and less familiar, until now it is but a memory. Legislative halls have not rung with indignant eloquence provoked by Erie's alleged transgressions, nor conscienceless lobbyists swarmed, like unclean birds of prey, to share, as of old, loot from Erie's helpless treasury. The long-fostered policy of temporizing with disaster was cast aside three years ago. The knife was thrust in to the root of the evil that held Erie prone under its spell. Behold the result.

The work of consolidation was pushed steadily and so rapidly that at the submitting of the Company's first annual report, September 15, 1896, which report included only the first seven months of possession, from January 1 to June 30, 1896, the management was able to state that the following subsidiary lines had been merged into, or otherwise practically consolidated with, the Erie Railroad:

*"The Buffalo and Southwestern.*—The unsatisfactory lease to the old Company of this line (based on a percentage of its gross earnings) was assumed by the new Company, the entire capital stock of the Buffalo and Southwestern Company having been previously purchased by the Reorganization Committee, and that company was duly merged into the Erie Company November 19, 1895. In exchange



*C. B. Thorne*



for the capital stock of the Southwestern Company, the Erie issued 1,200 fully-paid shares of its common stock and bonds to the amount of \$1,000,000, secured by a second mortgage on the Southwestern Road, bearing 5 per cent. per annum interest. The road was thus obtained at an annual charge of \$50,000, and interest on its first mortgage of \$1,500,000 at 6 per cent., or a fixed total annual charge of \$140,000, which will in due course be still further reduced by taking up the latter mortgage with the Erie's 4 per cent. general lien bonds."

*The New York, Pennsylvania and Ohio Railroad.*—The long-conflicting, costly, and harassing relations of the Erie with this railroad were at last set at rest forever by an agreement whereby the Erie should operate the road at a fixed annual rental until it could be sold under foreclosure proceedings and reorganized into the Erie system. "After due proceedings in the courts, the property was sold at public auction February 25, 1896, and purchased by a committee in behalf of the Erie. Corporations called The Nypano Railroad Company were incorporated under the general law of the States of Ohio and Pennsylvania, and consolidated into one, under the same title, to which was deeded the property of the New York, Pennsylvania and Ohio Railroad Company, purchased at the sale. The Nypano Company took the property, subject to \$8,000,000 prior lien bonds, bearing 4½ per cent. interest, the rentals of the old New York, Pennsylvania and Ohio Railroad Company's leased lines, and the outstanding Car Trusts. It issued common capital stock to the amount of \$20,000,000, and a mortgage to the amount of \$20,000,000, bearing 4 per cent. interest per annum. This entire capital stock, and all the bonds issued under the latter mortgage, are owned by the Erie, and are deposited with the Trustee under the first consolidated mortgage, as additional security. The Erie, therefore, became the owners of the Nypano Railroad Company, and secured a line from Salamanca, N. Y., to Dayton, O., with branches to Youngstown and Cleveland, and in payment therefor issued \$14,400,000 of its new prior lien 4 per cent. bonds, \$7,960,000 of its first preferred stock, and \$16,986,000 of its common stock, receiving in the adjustment \$742,320 in cash. Proper

reservation of Erie's securities was made to retire the liens on the Nypano property as they mature."

Thus passed out of existence a corporate body which from its birth, more than thirty years before, had been a curse to its projectors, had brought ruin to successive owners, and had been the means of heaping upon the Erie a large portion of that mountain of ills under which the Company had staggered so helplessly through a quarter of a century of its career. It was but retributive justice that the Erie should absorb the source of all that evil, and turn it toward its own good at last.

*Lockport and Buffalo Railway.*—The Company accepted an assignment of the lease of this road from the Suspension Bridge and Erie Junction Railroad Company, acquired the ownership of its entire capital stock, and, November 25, 1895, merged it into the Erie Company. The road runs from Lockport, N. Y., to Tonawanda, N. Y., a distance of 15¼ miles, and is a valuable feeder to the Company's main line. It was subject to a mortgage of \$140,000, bearing 7 per cent. interest, which lien was satisfied on maturity, October 1, 1897.

*Erie International Railway.*—The Erie took a lease of this railroad, and subsequently, becoming the owner of its entire capital stock, merged the International Company into the Erie Railroad Company November 27, 1895. The Erie International Railway Company had no funded debt. The railroad is four miles long, and gives the Erie access to the International Niagara Bridge at Buffalo.

*Suspension Bridge and Erie Junction Railroad.*—This railroad forms the Erie's Niagara Falls line, running from East Buffalo, N. Y., to Suspension Bridge, N. Y., a distance of 24 miles, and gives the Erie connection with the Canadian lines. The Erie leased the railroad, acquired the entire capital stock of the company, and merged it into the Erie Railroad Company April 3, 1896. This railroad is subject to a mortgage of \$1,000,000, of which amount \$965,000 is held by the public, the balance by the Erie.

*Buffalo, New York and Erie Railroad.*—This road extends from Painted Post, N. Y., to Buffalo, N. Y., a distance of 140¼ miles, and gives the Erie the greater part of its Rochester line and secures its

Buffalo terminal. The advisability of acquiring a more absolute title to this property than a leasehold was apparent. The Erie purchased the entire capital stock of this Company, and merged it into the Erie Company April 3, 1896. It has a funded debt of \$2,380,000, bearing 7 per cent. interest, and maturing June 1, 1916.

*The Union Steamboat and Union Dry Dock Companies.*—The Union Steamboat Company owning the entire capital stock of the Union Dry Dock Company at Buffalo, the latter was merged into the former June 11, 1896; and, the entire capital stock of the Union Steamboat Company being owned by the Erie, that corporation was merged into the Erie Railroad Company June 30, 1896, thus doing away with the maintenance of two separate corporations and bringing the management of the Lake Line and Dry Dock into the parent Company.

The Erie also purchased all the stock of the Tioga Railroad Company, excepting six shares, the owners of which could not be found; all the capital stock of the Arnot and Pine Creek Railroad Company, and about two-thirds of the capital stock of the Elmira State Line Railroad Company. These three roads had formed parts of the Erie system through leases or ownership of stock. By this consolidation the Erie became the absolute owner of those properties, which command sole entry, from the East, to the valuable semi-bituminous coal fields and the great farming and lumber regions of Tioga County, Pa.

*Avon, Geneseo and Mount Morris Railroad.*—This railroad, from Avon, N. Y., to Mount Morris, N. Y., a distance of nearly 18 miles, had long served as a feeder to the Erie, and was held under a lease at an annual rental of \$13,600, being 6 per cent. upon its capital stock. As the road was being operated at a loss, the new Erie Company decided not to assume the lease unless a material reduction in the rental could be secured, which was accomplished, a new arrangement being effected as follows: Two and a half per cent. upon the capital stock for four years, 3 per cent. for the fifth year, and 3½ per cent. thereafter.

The Erie's suburban lines, running almost exclusively within the State of New Jersey, had enjoyed so steady a growth that they at times severely taxed

the facilities of the Erie at the Jersey City terminal. The New York and Greenwood Lake and the New Jersey and New York Railroads, using that terminal as tenants, and the Northern Railroad of New Jersey, operated upon a percentage basis, had paid practically nothing for the valuable terminal facilities they enjoyed. As a remedy for this unequal condition of affairs, the Company declined to assume the Northern Railroad of New Jersey contract on the reorganization, and notified that company, and the New York and Greenwood Lake Railway and the New Jersey and New York Railroad companies, that they would be required to bear their equitable proportion of the cost of operating the Jersey City terminal. The result has been that all of these roads have passed virtually within the control of the Erie, the Northern Railroad and the New Jersey and New York Railroad by purchase, and the New York and Greenwood Lake Railroad by lease.

April 28, 1897, an important contract was concluded between the Company and the authorities of Jersey City, by which all Erie grade crossings in that city, between the Hudson River and Bergen Tunnel, a distance of 1¼ miles, are to be eliminated by the elevation of the tracks of the Company and depression of certain streets. The contract also provides for the construction of two or more additional tracks over or through Bergen Hill, above and adjacent to the present two tracks in the tunnel, also lying within the boundaries of Jersey City. Under the contract the Company began the work November 1, 1897. The work is to be completed, as far as the streets east of the tunnel are concerned, on or before January 1, 1900. A company, called the Penhorn Creek Railroad Company, was organized to execute that part of the agreement relating to the work to be done between the east end of the tunnel and Penhorn Creek, which latter is the western boundary of Jersey City. This great work of elevating the tracks of the Erie is progressing.

Work now in progress (1898), looking toward the still further improvement of the line, embraces the laying of third and fourth tracks; eliminating grade crossings at Buffalo; elevating the tracks at Jersey City; erecting new stations and other buildings; laying of 90-pound steel rails, and the further improving

of the terminal facilities at Cleveland, the work already completed there having reduced the cost of handling coal and ore from 67 cents per car to 52 cents per car, besides greatly facilitating the loading and unloading of freight. The cost to the Erie of the Buffalo improvements alone will be \$750,000.

In line with its policy of consolidation, the Company, in February, 1898, decided that it would be advisable to go beyond fields that were direct and natural feeders of the Erie main line, and add to the Erie system a property that, owing to the situation of the Company's interests in the anthracite coal regions, and to the importance of certain items of local traffic, notably that of milk, might well be regarded as a property so closely allied to the Erie that a consolidation of its interests with those of that Company would be not only good business policy for the present, but a guarantee of supremacy in a field certain to be sought by competitors at no far distant day. Accordingly, February, 1898, that property was secured to the Erie by the purchase of a large majority of its stock. This property was the New York, Susquehanna and Western Railroad and its leased and controlled lines, including the Wilkes-Barre and Eastern Railroad. This railroad system extends from Jersey City to Middletown, N. Y., to Stroudsburg, Pa., thence to Wilkes-Barre, Pa. To purchase this property the Erie's capital stock was increased \$26,000,000 by an authorized issue of 130,000 shares each of the first preferred and the common stock.

It was also deemed wise by the Board to strengthen the traffic relations of the Company with the Philadelphia and Reading System, and a trackage contract was made with the Fall Brook Railroad Company which gives the Erie the use of that road for freight traffic between Corning, N. Y., and Williamsport, Pa., connecting at the latter point with the Philadelphia and Reading Road, and giving it a through line, under its own control, to and from the West to the Reading territory. This arrangement went into force early in 1897.

The report of Erie Railroad Company's income account for the fiscal year of 1896 made this showing:

Gross Revenue from Operation.....	\$17,017,376 59
Operating Expenses and Taxes.....	12,877,423 87
Net Income from Operation.....	\$4,139,952 72
Income from Securities Owned.....	55,546 26
Total Income.....	\$4,195,498 98
Interest and Rentals Paid.....	4,043,789 55
Balance—Credit to Profit and Loss.....	\$151,709 43

The second annual report (1897) stated the income account for that year as follows:

Gross Revenue from Operation.....	\$31,497,030 92
Operating Expenses and Taxes.....	23,332,242 58
Net Income from Operation.....	\$8,164,788 34
Income from Securities Owned, etc.....	313,513 30
Total Income.....	\$8,478,301 64
Interest and Rentals.....	8,126,282 77
Balance—Credit to Profit and Loss.....	\$352,018 87

The report for 1898 is an exhibit still better:

Gross Revenue from Operations.....	\$33,740,866 16
Operating Expenses and Taxes.....	25,438,037 95
Net Income from Operations.....	\$8,302,822 21
Income from Securities Owned, etc.....	413,367 59
Total Income.....	\$8,716,189 80
Interest and Rentals.....	8,082,273 04
Leaving a Balance—Credit to Profit and Loss—of .....	\$633,916 76

The Company is, therefore, apparently earning its fixed charges with ease, and enough more to leave a handsome surplus. Moreover, the hideous spectre—the floating debt—that haunted for so many years successive managements of Erie, and not only would not down, but steadily grew in hideousness, has been exorcised of its spell at last, and has taken its disquieting presence elsewhere. The floating debt has disappeared. At least the last Erie report declared: "The Company has no floating debt." For the first time in its history the Erie is paying as it goes. Out of its own pocket? Time will tell.

As the result of the reorganization and consolidation under it, this is the stupendous development of the GREATER ERIE:

## MILES OF ROAD OPERATED, JUNE 30, 1898.

OWNED BY ERIE RAILROAD COMPANY OR CONTROLLED BY OWNERSHIP OF ENTIRE STOCK.

	1ST TRACK.	2D TRACK.
Long Dock Company's Railroad—Passenger Station, Jersey City, N. J., to Bridge Creek, Jersey City, N. J.....	2.561	2.561
Newark and Hudson Railroad—Bergen Junction, N. J., to Newark, N. J.....	5.620	4.517
Paterson, Newark, and New York Railroad—Newark, N. J., to Paterson, N. J.	11.326	0.606
Bergen County Railroad—Rutherford Junction, N. J., to Ridgewood Junction, N. J.....	9.821	9.821
Arlington Railroad—Newark Junction, N. J., to New York and Greenwood Lake Junction, N. J.....	1.160	.....
Bergen and Dundee Railroad—Garfield, N. J., to Passaic, N. J.....	2.450	.....
Piermont, N. Y., to Dunkirk, N. Y.....	446.636	305.900
East Portal Bergen Tunnel, Jersey City, N. J., to Junction with New Jersey Junction Railroad Company's Tracks..	.433	.433
Arden Junction, N. Y., to Vail's Gate Junction, N. Y.....	12.642	.....
Greycourt, N. Y., to Newburgh, N. Y....	18.731	6.330

*Jefferson Railroad:*

Honesdale Branch, West Hawley, Pa., to Honesdale, Pa.....	8.180	3.150
Jefferson Branch, Lanesboro, Pa., to Carbondale, Pa.....	36.510	35.190

Moosic Mountain and Carbondale Railroad—Winton, Pa., to Marshwood, Pa.	4.210	.....
Hornellsville, N. Y., to Buffalo, N. Y....	92.161	92.161
East Buffalo, N. Y., to Suspension Bridge, N. Y.....	24.010	5.340
International Junction, N. Y., to International Bridge, N. Y.....	4.500	4.500
Erie and Black Rock Railroad—Black Rock Junction, N. Y., to Black Rock, N. Y.....	1.140	.....
Tonawanda, N. Y., to Lockport, N. Y....	15.120	.....
Painted Post, N. Y., to Attica, N. Y. (via Avon) .....	109.012	.....
Conesus Lake Railroad—Conesus Lake Junction, N. Y., to Lakeville, N. Y....	1.610	.....
Buffalo Creek Railroad Junction, Buffalo, N. Y., to Jamestown, N. Y.....	66.360	.....
Erie Breaker, Pa., to Edgerton Breaker, Pa. ....	2.500	.....

*New York, Lake Erie and Western Coal and Railroad Company's Railroad:*

Main Line, Crawford Junction, Pa., to Johnsonburg, Pa.....	29.920	21.310
Alton Loop, Alton, Pa., to Riderville Junction, Pa.....	1.126	.....
Toby Branch, Brockwayville, Pa., to Dagus Mines, Pa.....	12.000	.....
Mead Run Branch, Brockport, Pa., to Shawmut, Pa.....	2.100	.....

	1ST TRACK.	2D TRACK.
Daguscahonda and Elk Branch, Daguscahonda, Pa., to Dagus Mines, Pa.....	5.500	.....

*Nypano:*

Salamanca, N. Y., to Dayton, O.....	388.040	.....
Buchanan Junction, Pa., to Oil City, Pa.....	33.780	.....
Silver Creek Junction, O., to Coal Mines, O., including both North and South Branches.....	7.770	.....

Chicago and Erie Railroad—Marion Junction, O., to Indiana and Illinois State Line, near Hammond, Ind.....	249.570	.....
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Total .....	1,606.499	491.819
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CONTROLLED BY OWNERSHIP OF OVER A MAJORITY OF STOCK.

*New York and Greenwood Lake Railway:*

	1ST TRACK.	2D TRACK.
Main Line, New York and Greenwood Lake Junction, N. J., to Sterling Forest, N. J.....	39.261	11.950
Watchung Railway, Forest Hill, N. J., to Main Street, Orange, N. J.....	4.163	.....
Caldwell Railway, Caldwell Junction, N. J., to Caldwell, N. J.....	4.500	.....
Roseland Railway, Caldwell, N. J., to Essex Falls, N. J.....	.947	.....
Ringwood Branch, Ringwood Junction, N. J., to Ringwood, N. J.....	2.789	.....

*New Jersey and New York Railroad:*

Main Line, New Jersey and New York Junction, N. J., to Nanuet Junction .....	20.634	11.050
Main Line, Spring Valley, N. Y., to Haverstraw, N. Y.....	10.905	.....
Stony Point Branch, Stony Point Junction, N. Y., to Stony Point, N. Y.....	1.042	.....
New City Branch, New City Junction, N. Y., to New City, N. Y.....	4.293	.....

Middletown and Crawford Railroad—Crawford Junction, N. Y., to Pine Bush, N. Y.....	10.220	.....
Elmira State Line Railroad—State Line Junction, N. Y., to Pennsylvania State Line .....	6.509	.....

*Tioga Railroad:*

Pennsylvania State Line to Hoytville, Pa. ....	51.091	.....
Tioga Junction, Pa., to Lawrenceville, Pa. (State Line).....	3.500	.....
Morris Run Branch, Blossburg to Morris, Pa.....	3.560	.....

*Buffalo, Bradford and Pittsburgh Railroad:*

	1ST TRACK.	2D TRACK.
Main Line, Carrollton, N. Y., to Gilesville, Pa.....	26.170	.....
West Branch, Bradford, Pa., to Ter- minus .....	5.240	.....
<b>Total .....</b>	<b>194.824</b>	<b>23.000</b>

## LEASED.

	1ST TRACK.	2D TRACK.
Paterson and Hudson } Bridge Creek, River Railroad, } Paterson and Ramapo } Jersey City, Railroad, } N. J., to Suf- Union Railroad, } fern, N. Y. }	28.682	28.682
Montgomery and Erie Railroad—Goshen, N. Y., to Montgomery, N. Y.....	10.430	.....
Goshen and Deckertown Railroad— Goshen, N. Y., to Pine Island, N. Y...	11.640	.....
Pennsylvania Coal Company's Railroad— Hawley Branch, Lackawaxen, Pa., to West Hawley, Pa.....	15.610	.....
Rochester and Genesee Valley Railroad— Avon, N. Y., to Rochester, N. Y.....	18.401	.....
Avon, Geneseo, and Mount Morris Rail- road—Avon, N. Y., to Mount Morris, N. Y.....	17.700	.....
Cleveland and Mahoning Valley Railway —Cleveland, O., to Pennsylvania State Line, including line from Youngstown, O., to Hazleton, O.....	80.810	65.760
Niles and New Lisbon Railroad—Niles, O., to three miles south of New Lis- bon, O.....	36.250	.....
Liberty and Vienna Railroad—Mosier, O., to Coal Mines below Vienna, O.....	6.800	.....
Westerman Railroad—Centre of Mill St., Sharon, Pa., to Pennsylvania State Line	2.090	.....
Sharon Railway—Centre of Mill Street, Sharon, Pa., to Pymatuning, Pa., in- cluding Middlesex Branch from Fer- rona, Pa., to West Middlesex, Pa.....	14.790	.....
Sharpsville Branch—Boyce, Pa., to Fur- naces at Sharpsville, Pa.....	1.550	.....
New Castle and Shenango Valley Rail- road, West Middlesex, Pa., to New Castle, Pa.....	16.730	.....
Youngstown and Austintown Railway— Youngstown, O., to Leadville Mines and Branch to Manning and Tippecanoe Shafts .....	8.490	.....
Canal Branch—Girard, O., to Crab Creek, Youngstown, O.....	6.005	.....
<b>Total .....</b>	<b>275.978</b>	<b>94.442</b>

## OPERATED UNDER AGREEMENTS.

	1ST TRACK.	2D TRACK.
Northern Railroad of New Jersey—Ber- gen Junction, N. J., to Nyack, N. Y....	26.050	21.540

## TRackage RIGHTS.

	1ST TRACK.	2D TRACK.
Northern Central Railway—Southport Junction, N. Y., to State Line Junction, N. Y.....	2.094	.....
Philadelphia and Erie Railroad, Johnson- burg, Pa., to Brockwayville, Pa.....	27.760	7.800
Philadelphia and Erie Railroad, Ridgway, Pa., to Daguscahonda, Pa.....	5.000	.....
Garnersville Railroad—Miners Creek, N. Y., to Garnersville Print Works.....	1.000	.....
Chicago and Western Indiana Railroad— Indiana and Illinois State Line, near Hammond, Ind., to Dearborn Station, Chicago, Ill.....	19.990	19.990
New Jersey Junction Railroad—Junction with New Jersey Junction Railway Company's Tracks to Delaware and Hudson Canal Company's Docks at Weehawken .....	3.015	3.015
Fall Brook Railway—Corning, N. Y., to Newberry Junction, Pa.....	109.200	.....
<b>Total .....</b>	<b>168.059</b>	<b>30.805</b>

## RECAPITULATION.

	1ST TRACK.	2D TRACK.
Owned by Erie Railroad Company, or Controlled by Ownership of Entire Stock .....	1,606.499	492.979
Controlled by Ownership of over a Ma- jority of Stock.....	194.824	23.000
Leased by Erie Railroad Company.....	275.978	94.442
Operated Under Agreements.....	26.050	21.540
Trackage Rights.....	168.059	30.805
<b>Total.....</b>	<b>2,271.410</b>	<b>662.766</b>

*Note.*—There are 3.960 miles of third and the same of fourth track on the New York Division, between the western opening of the Bergen Tunnel and Rutherford, N. J.

## II. BUT AT WHAT COST !

The Erie, by the heroic treatment of its new pos-  
sessors, is brought up out of the slough of despond  
wherein it so long floundered, but at what cost!  
Upon the broadened and strengthened shoulders of  
the Company is a burden of more than three hun-  
dred millions of debt, which the railroad, that was  
originally to have been placed between the Hudson  
River and Lake Erie at a cost, "liberally esti-  
mated," of less than \$7,000,000, is, with the aid of  
its collateral railroads, expected by its creditors to  
pay, and once this same railroad became a bank-  
rupt property because the Company could not pay  
\$40,000 due for interest! The cost of Erie's present

independent position among the great railroads of the world may be thus exhibited:

March 11, 1898, the Company's capital stock was increased by 130,000 shares of first preferred stock, and 130,000 shares of common stock, for the purpose of acquiring the ownership of the New York, Susquehanna, and Western Railroad. The greater portion of the authorized increase of the capital stock has been issued and used for the purpose stated, and the total issue now stands as follows:

Non-cumulative four per cent. First Preferred..	\$42,844,000 00
Non-cumulative four per cent. Second Preferred	16,000,000 00
Common .....	112,246,300 00
Total Capitalization .....	\$171,090,300 00

The outstanding bonded indebtedness of the Erie Railroad Company, which includes the debts inherited from the New York and Erie Railroad Company, the Erie Railway Company, and the New York, Lake Erie and Western Railroad Company, is (June 30, 1898) \$137,044,100. The list of the mortgages representing this debt is a long and varied one, and the following grouping of the lot, with a description of the Erie property covered by each mortgage, cannot fail to be of interest to the general reader, as a curious chapter in Erie history, and of great value to the investor and to the railroad financier as a matter of reference. An asterisk (\*) indicates that the stock of the Company thus marked is pledged under the first consolidated mortgage, with distinct agreement that the present indebtedness, if any, upon this property shall not be increased, and at maturity shall be paid off or acquired, and renewal bonds pledged under the first consolidated mortgage, to the end that ultimately said mortgage, either by direct mortgage or through collateral trust, shall be the first lien on the entire system.

ERIE RAILROAD COMPANY'S 100-YEAR FIRST CONSOLIDATED MORTGAGE DEED, *Prior lien bonds*, \$30,000,000. Issue, 1895. Principal payable January 1, 1996; interest, 4 per cent., gold, payable January and July, \$1,200,000. Denomination of bonds, \$1,000. *General lien bonds*, \$31,032,000. Issue, 1895. Principal payable January 1, 1996; interest, 4 per cent., gold, payable January and July, \$1,241,280. Denomination of bonds, \$1,000.

This mortgage is a first lien upon the Company's principal coal properties, upon its water transportation lines, including valuable terminal properties appurtenant thereto, and upon a number of profitable local lines in New Jersey and near Buffalo; a second lien (subject only to some of the divisional mortgages) upon the remaining coal properties and upon the railroads leading to all the coal properties, upon the terminals at Jersey City, upon the Buffalo, New York and Erie Railroad, and the Buffalo terminal properties other than those upon which it is a first lien, and upon the entire line from Salamanca to Chicago, and a second consolidated mortgage upon the line of the original New York and Erie, between Piermont and Dunkirk. Covered by this mortgage are the following important properties:

*\*The Hillside Coal Company's property.*—This company owns in fee 6,614 acres of anthracite coal lands in Lackawanna, Susquehanna, and Wayne counties, Pa.; 1,960 acres of surface lands, and has mineral rights in 1,566 acres, on which there is no mortgage except this one. Capital stock, \$1,000,000, all owned by the Erie.

*\*The Northwestern Mining and Exchange Company's property.*—This company owns in fee 8,520 acres of bituminous coal lands, and has mineral rights in 5,654 acres in McKean, Elk, and other Pennsylvania counties. The entire capital stock of the company, \$500,000, is owned by the Erie.

*\*The Blossburg Coal Company's holding of 6,107 acres of bituminous coal lands in Pennsylvania.*—The capital stock of this company, \$1,000,000, is owned by the Erie.

The leasehold rights in the Paterson and Ramapo and the Paterson and Hudson Railroads, which form the main line of the Erie from Suffern, N. Y., to the east portal, Bergen Tunnel; all of the stock of the Paterson, Newark and New York and the Newark and Hudson railroads, which form the Newark Branch, and of the Bergen County Railroad (Bergen Short-cut), the Long Dock Company, and the New York, Lake Erie and Western Docks and Improvement Company (Weehawken, N. J.), and \$1,900,000 of the bonds of the New York, Lake Erie and Western Coal and Railroad Company, are also pledged under the general mortgage.

NEW YORK AND ERIE RAILROAD COMPANY'S FIRST MORTGAGE, *currency*, \$2,482,000. Issue, 1845. Principal payable May, 1937; interest, 7 per cent., payable May and November. Covers 446.63 miles of the railroad. Annual interest, \$99,280.

This is the amount still unpaid of the original mortgage for \$3,000,000, issued under the enabling act of 1845, by which it was possible to continue the work of constructing the railroad westward from Middletown, N. Y. It is a first mortgage on the main line, Piermont to Dunkirk. The mortgage was extended in 1867 to May, 1897, and in May, 1897, to May, 1937. The interest paid by the Company on this original loan amounts (1898) to more than three times the principal of the debt, and to nearly half as much as the entire cost of building the railroad from Piermont to Dunkirk, which was, in round numbers, \$23,000,000.

NEW YORK AND ERIE RAILROAD COMPANY'S SECOND MORTGAGE, *gold*, \$2,149,000. Issue, 1849. Principal payable September, 1919; interest, 5 per cent., payable March and September. Covers 446.63 miles of railroad. Denominations of bonds, \$1,000. Annual interest, \$107,450.

Issued (original amount \$4,000,000) to provide funds for continuing the construction of the railroad west of Binghamton, and to purchase rolling stock. It is a second mortgage on the main line, Piermont to Dunkirk. The mortgage was extended in 1859 to September, 1919. Interest reduced from 7 to 5 per cent., and principal and interest made payable in gold.

NEW YORK AND ERIE RAILROAD COMPANY'S THIRD MORTGAGE, *gold*, \$4,617,000. Issue, 1853. Principal payable March 1, 1923; interest, 4½ per cent., payable March and September. Covers 446.63 miles of the railroad. Denomination of bonds, \$1,000. Annual interest, \$207,765.

This is a lien on the main line, Piermont to Dunkirk. Principal and interest were originally payable in currency. The mortgage was extended in 1883 to March, 1923; interest reduced from 7 to 4½ per cent., and principal and interest made payable in gold. The original amount of the issue of this loan was \$5,200,000, and these bonds were the first ones for which the Company had to borrow money to pay the interest on.

NEW YORK AND ERIE RAILROAD COMPANY'S FOURTH MORTGAGE, *gold*, \$2,926,000. Issue, 1857. Principal payable October 1, 1920; interest, 5 per cent., payable April and October. Covers 465.36 miles of the railroad. Denomination of bonds, \$1,000. Annual interest, \$146,300.

A fourth mortgage on the main line, Piermont to Dunkirk; also a first mortgage on the Newburgh Branch, Newburgh to Greycourt, N. Y., and a mortgage on the leasehold rights in the Union Railroad, Paterson and Ramapo Railroad, Paterson and Hudson Railroad, and the Long Dock Company, together forming the line from Suffern, N. Y., to Jersey City. The mortgage was extended in 1880 to October, 1920; interest reduced from 7 to 5 per cent., and principal and interest made payable in gold.

NEW YORK AND ERIE RAILROAD COMPANY'S FIFTH MORTGAGE, *gold*, \$709,500. Issue, 1858. Principal payable June 1, 1928; interest, 4 per cent., payable June and December. Covers 465.36 miles of railroad. Denomination of bonds, \$200 and \$1,000. Annual interest, \$28,380.

Fifth mortgage on the main line, second mortgage on the Newburgh Branch, and second mortgage on the leasehold rights in the New Jersey railroads and Long Dock Company. It was extended in 1888 to June, 1928; interest reduced from 7 to 4 per cent., and principal and interest made payable in gold.

BUFFALO BRANCH FIRST MORTGAGE, \$182,600. Issue, 1861. Principal payable July 1, 1931; interest, 4 per cent., gold, payable January and July. Covers 60.92 miles of railroad. Denomination of bonds, \$200 and \$1,000. Annual interest, \$7,304.

First mortgage on the Buffalo Branch, from Hornellsville, N. Y., to Attica, N. Y. It was extended in 1891 to July, 1931; interest reduced from 7 to 4 per cent., and principal and interest made payable in gold. This is balance due on the mortgage issued during the Receivership of Nathaniel Marsh (1859-61) for the purchase of the Buffalo and New York Railroad, to secure a Buffalo connection, the Erie having been hampered by previous arrangements with that company in the running of its trains between Hornellsville and Buffalo.

ERIE RAILWAY COMPANY'S FIRST CONSOLIDATED MORTGAGE, \$16,891,000. Issue, 1870. Principal payable September, 1, 1920; interest, 7 per cent., gold, payable March and

September. Covers 526.28 miles of railroad. Denomination of bonds, \$1,000 or £200. Annual interest, \$1,182,370.

Sixth mortgage on the main line, third mortgage on the Newburgh branch, and second mortgage on the Buffalo Branch. Also mortgage on leasehold rights in the Union Railroad, Buffalo, New York and Erie Railroad, Buffalo, Bradford and Pittsburg Railroad, Rochester and Genesee Valley Railroad, and the Long Dock Company. Issue was limited to \$30,000,000, of which \$13,065,000 was reserved to retire the first, second, third, fourth, and fifth mortgage bonds of the New York and Erie Railroad Company, and the Erie Railway and Buffalo Branch first mortgage bonds. This loan was the famous Gould issue of bonds, wise in its intent, but a good intention belated and fallen on evil times.

NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY'S FIRST CONSOLIDATED MORTGAGE COUPON BONDS, \$3,699,500. Issue, 1878. Principal payable September 1, 1920; interest, 7 per cent., gold, payable March and September. Covers 526.28 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$258,965.

These bonds are secured by the same property as the above consolidated mortgage, they having been issued to fund coupons from the bonds of that issue, which coupons are held as collateral security. These bonds were provided for in the reorganization plan of 1878. With this included, the total outstanding debt of the Erie under the Erie Railway Company's first consolidated mortgage is \$33,663,077.

BUFFALO AND SOUTHWESTERN RAILROAD COMPANY'S FIRST MORTGAGE, *gold*, \$1,500,000. Issue, 1877. Principal payable July 1, 1908; interest, 6 per cent., payable January and July. Covers 66.36 miles of railroad. Denomination of bonds, \$50, \$100, \$500, and \$1,000. Annual interest, \$90,000.

First mortgage on the above railroad, Buffalo Creek Railroad Junction, Buffalo, to Jamestown, N. Y.

ERIE RAILROAD COMPANY'S SECOND MORTGAGE ON THE BUFFALO AND SOUTHWESTERN RAILROAD, *gold*, \$1,000,000. Issue, 1895. Principal payable July 1, 1908; interest, 6 per cent., gold, payable January and July. Covers 66.36 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$50,000.

This mortgage covers the same property as the Buffalo and Southwestern first mortgage, and was placed to facilitate and insure consolidation of that railroad with the Erie system in 1895.

NEWBURGH AND NEW YORK RAILROAD COMPANY'S FIRST MORTGAGE, \$250,000. Issue, 1868. Principal payable January 1, 1929; interest, 5 per cent., gold, payable January and July. Covers 12.64 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$12,500.

First mortgage on that railroad, Arden Junction to Vail's Gate Junction, N. Y. Consolidated with Erie in 1895. This railroad is the "Newburgh Short-cut." It was built by a corporation entitled the Newburgh and New York Railroad Company, which was composed of the leading men in control of the Erie in the time of President Berdell and later under the Eldridge and Gould *régimes*. The railroad was to be the link that was to bring about the much-vaunted Erie connection with Boston and the East, by means of the railroad then exploited under the name of the Boston, Hartford and Erie, of unsavory memory, and of contact most unfortunate to Erie interests.

\*BERGEN COUNTY RAILROAD FIRST MORTGAGE, \$200,000. Issue, 1881. Principal payable April 1, 1911; interest, 6 per cent., payable April and October. Covers 9.82 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$12,000.

First mortgage on that railroad, Rutherford Junction, N. J., to Ridgewood Junction, N. J. Stock \$200,000, all owned by the Erie.

\*BUFFALO, NEW YORK AND ERIE FIRST MORTGAGE, \$2,380,000. Issue, 1876. Principal payable June 1, 1916; interest, 7 per cent., payable June and December. Covers 140.25 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$166,600.

First mortgage on Buffalo, New York and Erie Railroad, Painted Post, N. Y., *via* Avon, to Buffalo, N. Y. The total capital stock of this Company is \$950,000, of which \$946,000 is owned by the Erie. This road was leased by the Erie in 1863 for four hundred and ninety years. Rental 7 per cent. on stock, interest on bonds, and \$5,000 for organization expenses.

\*CHICAGO AND ERIE RAILROAD FIRST MORTGAGE, \$12,000,000. Issue, 1890. Principal payable May 1, 1982; interest, 5 per cent., gold, payable May and November. Covers 249.57 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$600,000.

First mortgage on the Chicago and Erie Railroad, Marion, O., to Illinois-Indiana State line, near Hammond, Ind.; also mortgage on leasehold rights in the Chicago and Western Indiana Railroad, on \$1,000,000 of capital stock of Chicago and Western Indiana Railroad, and on \$240,000 capital stock of the Belt Railway of Chicago, being one-fifth interest in the stock of each of said companies. The entire capital stock of the Chicago and Erie is owned by the Erie.

CHICAGO AND ATLANTIC RAILWAY TERMINAL FIRST MORTGAGE, *gold*, \$300,000. Issue, 1888. Principal payable July 1, 1918; interest, 5 per cent., gold, payable January and July. Denomination of bonds, \$1,000. Annual interest, \$15,000.

First mortgage on lands situated along the line of the Chicago and Erie Railroad, formerly known as Chicago and Atlantic Railroad, in the States of Ohio and Indiana, together with all depots, engines, freight and car-houses, and all other improvements on the lands.

\*JEFFERSON RAILROAD COMPANY'S FIRST MORTGAGE, \$2,800,000. Issue, 1869. Principal payable January 1, 1909; interest, 5 per cent., gold, payable April and October. Covers 36.51 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$140,000.

First mortgage on the Jefferson Railroad, Carbondale, Pa., to Susquehanna, Pa., 36.51 miles. Entire capital stock \$2,095,450, owned by the Erie.

JEFFERSON RAILROAD COMPANY (HONESDALE BRANCH), FIRST MORTGAGE, \$204,000. Issue, 1867. Principal payable July 1, 1927; interest, 4½ per cent., payable January and July. Covers 8.18 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$9,180.

First mortgage on above railroad, on Honesdale Branch, Honesdale, Pa., to Hawley, Pa., 8.18 miles. The mortgage was extended in 1887 until 1927; interest reduced from 7 to 4½ per cent.

JEFFERSON RAILROAD COMPANY (HONESDALE BRANCH), SECOND MORTGAGE, \$96,000. Issue, 1869. Principal payable January 1, 1929; interest, 6 per cent., payable January and July. Covers 8.18 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$5,760.

Second mortgage on same property as above. It was extended in 1889 until 1929; interest reduced from 7 to 6 per cent.

\*LONG DOCK COMPANY'S CONSOLIDATED MORTGAGE, \$7,500,000. Issue, 1885. Principal payable October 1, 1935; interest, 6 per cent., gold, payable April and October. Denomination of bonds, \$1,000. Annual interest, \$450,000.

First mortgage on 577 acres of land and land under water, located at Jersey City, including the tunnel through Bergen Hill, the lands used by the Erie for depot and track purposes, and the strip of land 100 feet wide extending from the terminus of the Paterson and Hudson Railroad at the west portal of the tunnel, to the Hudson River; also mortgage on all buildings constructed or to be constructed, and all tracks, etc. On this property there are about 48 miles of track, many large warehouses and docks, ferry slips, passenger depot, machine, boiler, and car repair shops, and other structures. Estimated value of all, \$16,000,000. These bonds are redeemable by lot at 110, but "only from the proceeds of sale of such lands as may be sold . . . as not necessary for the purposes of the Company." Capital stock, \$800,000, all of which is owned by the Erie.

\*NEW YORK, LAKE ERIE AND WESTERN DOCKS AND IMPROVEMENT COMPANY'S FIRST MORTGAGE, \$3,396,000. Issue, 1883. Principal payable July 1, 1913; interest, 6 per cent., payable January and July. Denomination of bonds, \$1,000. Annual interest, \$203,760.

First mortgage on 94.17 acres of land and land under water at Weehawken, N. J., having a shore front of 2,558 feet, together with grants and leases from State of all riparian rights in front of property. Original consideration for the lands alone, \$2,342,708. Property situated south of West Shore Railway terminals and north of the Delaware and Hudson Canal Company's terminals. Depth of water, 25 feet. Property improved with 8 piers, varying in length from 700 to 1,000 feet, and in width from 40 to 100 feet; also a coal trestle 1,000 feet long, and a cold storage warehouse about 200 feet square, shops, etc. Structures are kept insured for 80 per cent. of value. About 25 miles of railroad track are laid on the property. The mortgage also covers the floating equipment of this Company, consisting of

ferry-boat, barges, car floats, lighters, etc. This property constitutes the main freight terminal of the Erie in New York Harbor. The total issue of these bonds was \$4,000,000, of which \$604,000 and the entire capital stock of the company are owned by the Erie.

NEW YORK, LAKE ERIE AND WESTERN COAL AND RAILROAD COMPANY'S FIRST MORTGAGE, \$1,100,000. Issue, 1882. Principal payable May 1, 1922; interest, 6 per cent., payable May and November. Denomination of bonds, \$1,000. Annual interest, \$66,000.

First mortgage on the main line of the above company's railroad, Crawford Junction, Pa., to Johnsonburgh, Pa., 29.92 miles, and branches 27.72 miles; total, 57.64 miles; also on 14,120 acres of coal lands owned in fee, and the mining rights in 8,057 acres additional. Total issue of bonds, \$3,000,000, of which \$1,900,000 is owned by the Erie. The entire capital stock, \$500,000, is owned by the Northwestern Mining and Exchange Company.

\*SUSPENSION BRIDGE AND ERIE JUNCTION RAILROAD COMPANY'S FIRST MORTGAGE, \$965,000. Issue, 1870. Principal payable July 1, 1900; interest, 7 per cent., payable January and July. Covers 24.01 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$67,550.

First mortgage on the above railroad, East Buffalo Junction, N. Y., to Suspension Bridge, N. Y., *via* Niagara Falls. The total issue of bonds was \$1,000,000, of which \$35,000 is owned by the Erie. Of the capital stock, \$500,000, all but \$800 is owed by the Erie.

ELMIRA AND STATE LINE RAILROAD COMPANY'S MORTGAGE, \$160,000. Issue, 1875. Principal payable October 1, 1905; interest, 7 per cent., payable April and October. Covers 6.50 miles of railroad. Denomination of bonds, \$500 and \$1,000. Annual interest, \$11,200.

First mortgage on the Elmira and State Line Railroad, New York-Pennsylvania State line to Northern Central Railroad Junction, Elmira, N. Y. Principal and interest guaranteed by the Tioga Railroad Company. Leased to that Company in 1876 for nine hundred and ninety-nine years. Stock \$90,200, of which \$61,000 is owned by the Erie.

NEW YORK, PENNSYLVANIA AND OHIO RAILROAD COMPANY'S PRIOR LIEN MORTGAGE, *gold*, \$8,000,000. Issue, 1880. Principal payable March 1, 1935; interest, 4½ per cent., *gold*, payable March and September. Covers 429.59 miles of railroad. Denomination of bonds, \$1,000, or £200; \$500, or £100. Annual interest, \$360,000.

First mortgage on main line of the Nypano, Salamanca, N. Y., to Dayton, O., 383.04 miles; branches to Oil City, Pa., 33.78 miles, and to Coal Mines, O., 7.77 miles. This mortgage matured March, 1895, and was extended forty years, interest being reduced from 6 per cent. to 4½ per cent.

\*TIOGA RAILROAD COMPANY'S FIRST MORTGAGE, \$239,500. Issue, 1852. Principal payable November 1, 1915; interest, 5 per cent., *gold*, payable May and November. Covers 38.89 miles of railroad. Denomination of bonds, \$500 and \$1,000. Annual interest, \$11,975.

First mortgage on the above railroad, from the coal-beds near Blossburg, Pa., to the northern boundary of Pennsylvania, near Lawrenceville. The mortgage was extended in 1872 until 1915; interest reduced from 7 to 5 per cent. Stock—\$391,200 common, \$189,700 preferred—is all owned by the Erie, except \$300 of common.

TIOGA RAILROAD COMPANY'S TIOGA EXTENSION FIRST MORTGAGE, \$265,000. Issue, 1875. Principal payable October 1, 1905; interest, 7 per cent., payable April and October. Covers 6.50 miles of railroad. Denomination of bonds, \$1,000. Annual interest, \$18,550.

First mortgage on the Tioga extension, extending from a point on the main line south of Lawrenceville, Pa., to the terminus of the Elmira and State Line Railroad at the New York-Pennsylvania State line.

Recapitulating the above summary, the outstanding obligations of the Company (June 30, 1898) are :

Capital stock.....	\$171,090,300
Bonded debt.....	137,044,100
Erie total indebtedness.....	\$308,134,400

#### FIXED CHARGES.

Following are the sums the Erie must provide for annually, to pay the charges against it, over and above its operating expenses:

## INTEREST.

New York and Erie Railroad Company First Mortgage Bonds.....	\$99,280
New York and Erie Railroad Company Second Mortgage Bonds.....	107,450
New York and Erie Railroad Company Third Mortgage Bonds.....	207,765
New York and Erie Railroad Company Fourth Mortgage Bonds.....	146,300
New York and Erie Railroad Company Fifth Mortgage Bonds.....	28,380
Buffalo Branch Mortgage Bonds.....	7,304
Erie Railway Company First Consolidated Mortgage Bonds.....	1,182,370
New York, Lake Erie, and Western Railroad Company First Consolidated Mortgage Coupon Bonds	258,965
Erie Railroad Company Prior Lien Bonds.....	1,200,000
Erie Railroad Company General Lien Bonds, 3 per cent. Gold, July, 1896, to July, 1898, 4 per cent. Gold thereafter.....	1,241,280
Newburgh and New York Railroad Bonds.....	12,500
Long Dock Company Bonds.....	450,000
Buffalo, New York, and Erie Railroad Bonds.....	166,600
Honesdale Branch Railroad Bonds.....	9,180
Honesdale Branch Railroad Bonds.....	5,760
Jefferson Branch Railroad Bonds.....	140,000
Bergen County Railroad Bonds.....	12,000
New York, Lake Erie, and Western Docks and Improvement Company Bonds.....	203,760
New York, Lake Erie, and Western Coal and Railroad Company Bonds.....	66,000
Suspension Bridge and Erie Junction Railroad Bonds .....	67,550
Buffalo and Southwestern Railroad Company First Mortgage Bonds.....	90,000
Erie Railroad Company, Buffalo and Southwestern Division, Second Lien 5 per cent. Gold Bonds...	50,000
Tioga Railroad First Mortgage Bonds.....	11,975
Tioga Railroad, Tioga Extension Bonds.....	18,550
Elmira State Line Railroad Bonds.....	11,200
New York, Pennsylvania, and Ohio Railroad Company Prior Lien Bonds.....	360,000
Chicago and Erie Railroad First Mortgage Gold Bonds .....	600,000
Chicago and Atlantic Railway Terminal Bonds....	15,000
Total .....	\$6,769,169

## RENTALS.

Union Railroad.....	\$3,500 00
Paterson and Ramapo Railroad.....	26,500 00
Paterson and Hudson Railroad.....	48,400 00
Montgomery and Erie Railroad.....	16,000 00
Goshen and Deckertown Railroad.....	19,035 00
Hawley Branch.....	50,000 00
Rochester and Genesee Valley Railroad.....	34,012 00
Middletown and Crawford Railroad.....	10,500 00
Elmira State Line Railroad.....	6,314 00
New Jersey Junction Railroad.....	6,001 00
Avon, Geneseo, and Mount Morris Railroad....	5,725 00
New York and Greenwood Lake Railway.....	75,000 00
Cleveland and Mahoning Valley Railway.....	525,967 38
Sharon Railway.....	37,101 00

Westerman Railroad.....	\$4,000 00
New Castle and Shenango Valley Railroad.....	15,037 50
Chicago and Western Indiana Railroad — Estimate .....	194,955 97
Total .....	\$1,078,048 85
Interest on Bonds.....	\$6,769,169 00
Rental for Railroads.....	1,078,048 85
Other Interest and Rentals..	235,055 19
Total Fixed Charges.....	\$8,082,273 04

Can the Erie earn this appalling sum? Can it pay this terrible penalty that its misguided past has doomed it to—and live?

The annual reports give every assurance that it can. The three of them that have been issued since the formation of the Erie Railroad Company show that the sum has thus far been earned. According to the report for 1898 the net earnings of the railroad and income from other sources (year ending June 30th) were \$8,716,189.80, which provided for the fixed charges and left a surplus of more than \$633,000. This, then, would seem to demonstrate, beyond dispute or cavil, the correctness of the claim of those who pressed the reorganization to success, that the Erie Railroad's earnings would easily be more than its expenses, if the Company were relieved of the incubi that had hampered it for a generation, and the subsidiary lines necessary for the Erie's traffic were changed from a warring, irresponsible group to one uniform system, through a rational, business-like process of consolidation, by which they might be brought under the control and direction of one head. By such a consolidation of the Erie system, the days of loading upon Erie worthless and extravagant leases, the aftermath of corrupt stock-jobbery, and the cost and future responsibility of bad personal undertakings generally, have become, necessarily and happily, a thing of the past. Those plunderings of Erie are represented to-day by not less than \$100,000,000 of her tremendous debt. If the Company and the railroad, conducted on correct principles of business and financiering and of operative management, can show a surplus above the large sum of fixed charges made necessary by that unrighteous debt, what might not this highway of most unfortunate memory have done if it had not fallen into designing hands years and years ago?

## BETWEEN THE OCEAN AND THE LAKES

## A STUDY IN THE GROWTH OF ERIE.

*The Railroad was opened to Goshen, N. Y., September 23, 1841. The earnings from that date until December 31, 1841, both inclusive, according to the FIRST Erie Official Report of Earnings, were :*

FOR THE MONTHS OF	FREIGHT.						PASSENGERS.						
	Pounds Westw'd.	Pounds Eastward.	Total.	REVENUE.			NO. CARRIED.			REVENUE.			
				Tolls Westw'd.	Tolls Eastward.	Total.	1st Class.	2d Class.	Total.	From Railroad.		Steamboat	Total.
										1st Class.	2d Class.	Both Cla's.	Both Classes
September, 1841	208,620	53,492	322,112	\$341.38	\$63.31	\$404.69	566½	27	593½	\$671.59	\$20.51	\$203.26	\$895.36
October, 1841	1,006,246	1,394,704	2,400,950	1,510.04	2,044.03	3,554.64	3,501	209½	3,710½	3,394.23	113.57	1,236.40	4,744.20
November, 1841	2,120,830	2,693,815	4,814,645	2,550.61	3,440.01	5,996.62	4,106	67½	4,173½	3,882.83	52.33	1,374.38	5,249.54
December, 1841	2,287,735	1,732,077	4,019,812	2,242.44	2,325.60	4,568.04	3,149½	.....	3,149½	3,022.62	.....	1,243.72	4,276.34
Grand Totals	5,683,431	5,874,088	11,557,519	\$6,645.04	\$7,818.95	\$14,523.99	11,323	304	11,627	\$10,921.77	\$186.31	\$4,057.76	\$15,165.44
Revenue from Freight...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14,523.99
Total Earnings for four months	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	\$29,689.43

*What the Railroad earned for the same period in 1897, according to the LAST Erie Official Report of Earnings :*

	FREIGHT.	COAL.	PASSENGER.	MAIL.	EXPRESS.	RENTS AND MISCELLANEOUS.	TOTAL EARNINGS.
Last 8 days of September, 1897, (averaged).	\$443,427.20	\$187,423.56	\$163,735.76	\$11,029.60	\$12,932.16	\$32,007.52	\$850,578.80
October, 1897.....	1,715,264.02	848,441.37	505,317.51	38,974.11	47,987.98	113,307.89	3,269,292.88
November, 1897.....	1,520,021.36	802,911.00	436,720.91	41,076.43	48,114.55	107,175.74	2,956,019.99
December, 1897.....	1,490,643.65	651,653.69	453,408.46	39,760.56	48,855.63	108,972.57	2,793,294.56
Total Earnings, four months.	.....	.....	.....	.....	.....	.....	\$9,869,186.23

*(For continuation of the Thomas Administration, see "Addenda," pp. 515, 516.)*





Edward Harold Mott

## FIGHTING ITS WAY.\*

1832 TO 1850.

Story of Erie's Long Struggle in the Legislature for Corporate Existence and Power to Complete the Work it Had Undertaken—The Erie Charter and its Amendments—Who Were the Company's Friends and Who its Enemies—The First Relief Bill—Details of the Legislation Necessary to its Life, to Obtain which the Erie had to Fight in New York and Pennsylvania for Almost a Score of Years—Triumph Came with the General Railroad Law.

1832.

GOVERNOR THROOP'S message to the New York State Legislature, read on the assembling of that body in January, 1832, was largely devoted to the new, and what had become the absorbing, subject of railroads. The message was referred to the Committee on Railroads in the Assembly, for consideration of so much of it as related to that particular subject. This was the first railroad committee ever appointed in the Assembly. Its members were Silas M. Stilwell, of New York; John C. Kemble, of Rensselaer County; William Seymour, of Albany; Horace Mack, of Tompkins County; Aaron Remer, of Yates County. Hundreds of petitions from the localities interested in the railroad were received by both houses of the Legislature daily, from the opening of the session, and they were referred to the respective committees on railroads.

February 1, Mr. Stilwell reported from the Committee on Railroads in the Assembly a bill entitled, "An Act to Incorporate the New York and Erie Railroad Company," which was referred to the Committee of the Whole.

March 8th, Myndert Van Schaick, of New York, reported the bill from that committee. The bill was hotly debated until the 13th, during which time it was changed and amended in various ways. March 19th the amended act passed the Assembly by a vote of 108 to 2—the two negative votes being Isaac Vandewater, of Essex County, and John M'Donald, of Washington County.

In the Senate the measure was debated nearly a month, during which time it was still further amended, being finally

passed April 18th, and adopted by a vote of 23 to 3—William I. Dodge, of the Fourth District; William Deitz, of the Third, and Alvin Bronson, of the Fifth, voting against it.

April 19th the Assembly accepted the amended Senate bill, by a vote of 95 to none, and the first ostensible step in the construction of the Erie was taken. The charter was passed. It was signed by Governor Enos Throop April 24th, and became a law on that date.

### THE CHARTER.

#### AN ACT TO INCORPORATE THE NEW YORK AND ERIE RAILROAD COMPANY.

*The People of the State of New York represented in Senate and Assembly, do enact as follows:*

SEC. 1.—Samuel Swartwout, Stephen Whitney, Robert White, Cornelius Harsen, Eleazar Lord, Daniel Le Roy, William C. Redfield, Cornelius J. Blauvelt, Jeremiah H. Pierson, William Townsend, Egbert Jansen, Charles Borland, Abram M. Smith, Alpheus Dimmick, Randall S. Street, John P. Jones, George D. Wickham, Joseph Curtis, John L. Gorham, Joshua Whitney, Christopher Eldridge, James McKinney, James Pumpelly, Charles Pumpelly, John R. Drake, Jonathan Platt, Luther Gere, Francis A. Bloodgood, Jeremiah S. Beebe, Ebenezer Mack, Ansel St. John, Andrew DeWitt Bruyn, Stephen Tuttle, Lyman Covell, Robert Covell, John Arnot, John Magee, William M. McCay, William S. Hubbell, William Bonham, Arthur H. Erwin, Henry Brother, Philip Church, Samuel King, Walter Bowne, Morgan Lewis, William Paulding, Peter Lorillard, Isaac Lawrence, Jeromus Johnson, John Steward, Jr., Henry I. Wycokoff, Richard M. Lawrence, Gideon Lee, John P. Stagg, Nathaniel Weed, Hubert Van Wagenen, David Rogers, John Hone, John G. Coster, Goold Hoyt, Peter I. Nevius, Robert Buloid, Thomas A. Ronalds, John Haggerty, Elisha Riggs, Benjamin L. Swan, Grant B. Baldwin, William Maxwell, and Darius Bentley, with such other

\* It was not possible, even if it had been desirable, to so group and classify the details of the many procedures, plans, incidents, and collateral events that attended the rise and development of Erie, that their chronicling might accompany the general narrative. While they are part of that narrative, they go to make a story in and by themselves, so I have made this grouping of them with that idea in view, beginning with the first appearance of the Erie project in the Legislature of New York and its reception and treatment there; following the enterprise afield, and showing how it struggled to become a railroad; taking it in the infancy of its railroad life and going forward with it to the full measure of its lusty growth; showing its comedy and its tragedy; and rescuing from oblivion the memory of the men and the nature of the measures that made of Erie the pioneer in many of the methods that are standard to this day in the operating of railroads. All this will unfold itself in unbroken narrative by this plan, and in strong individuality, as it could not have done if interpolated in the subject-matter paramount in the general history.—E. H. M.

persons as shall associate with them for that purpose, are constituted a body corporate and politic, by the name of "The New-York and Erie Rail-Road Company," with power to construct a single, double or treble rail-road or way, from the City of New-York to Lake Erie, commencing at the City of New-York, or at such point in its vicinity as shall be most eligible and convenient therefor, and continue said rail-road through the southern tier of counties, by way of Owego, in the County of Tioga, to the shore of Lake Erie, at some eligible point between the Cattaraugus creek and the Pennsylvania line; with power to transport, take and carry property and persons upon the same, by the power and force of steam, of animals, or of any mechanical or other power, or of any combination of them, for the term of fifty years from the passage of this act.

SEC. 2.—If the said corporation hereby created, shall not, within four years from the passage of this act, commence the construction of the said rail-road or way, and spend within one year thereafter, the sum of two hundred thousand dollars thereon, and shall not, within ten years from the passage of this act, construct, finish and put in operation one-fourth part of the said rail-road or way, and shall not, within fifteen years from the passage of this act, construct, finish and put in operation one-half of the said rail-road or way, and shall not, within twenty years from the passage of this act, complete and put in operation the whole of the said rail-road or way, or in the event of a failure by the company to construct the parts of the said rail-road within either of the times above mentioned, then the rights, privileges and powers of the said corporation under this act, shall be null and void.

SEC. 3.—The capital stock of the company shall be ten millions of dollars: which shall be divided into shares of one hundred dollars each; which shall be deemed personal property, and transferable in such manner as the said corporation shall by by-laws direct.

SEC. 4.—Walter Bowne, Morgan Lewis, William Paulding, Peter Lorillard, Isaac Lawrence, Jeromus Johnson, John Steward, junior, Henry T. Wyckoff, Nathaniel Weed, Hubert Van Wageningen, David Rogers, Samuel Swartwout, John Hone, John G. Coster, Goold Hoyt, Peter I. Nevius, Robert Buloid, Benjamin L. Swan, Thomas A. Ronalds, John Haggerty, Elisha Riggs, Garret Storm, George Curtis, Richard M. Lawrence, Charles Henry Hall, Robert White, Stephen Whitney, Eleazar Lord, John P. Stagg, Sam'l Alley, Josiah Hedden, Thomas T. Woodruff, Michael Burnham, Gideon Lee and Cornelius Harsen, of New York; Jeremiah H. Pierson, Cornelius J. Blauvelt, Edward Sufferin, John J. Wood and Benjamin Blackledge, of Rockland; Selah Reeve, George D. Wickham, Alexander Thompson, Samuel S. Seward, Stacy Beaks and John Hallock, junior, of Orange; Randall S. Street and John P. Jones, of Sullivan; John Sudam and John Van Buren, of Ulster; James G. Elliot, of Greene; Erastus Root, of Delaware; Sherman Page, of Otsego; John C. Clark, of Chenango; Joshua Whitney, Stephen Weed, Christopher Eldridge and Levi Dimmick, of Broome; James Pumpelly, Lyman Covell, William Maxwell, Grant B. Baldwin, Darius Bentley and John Jackson, of Tioga; John Magee, Ira Davenport, William H. Bull and William S. Hubbell, of Steuben; Luther Gere, Andrew D. W. Bruyn and Francis A. Bloodgood, of Tompkins; Philip Church, of Allegany; Timothy H. Porter and Henry Saxton, of Cattaraugus; Thomas Campbell, Daniel G. Garnsey, Elial T. Foote, Joseph White, junior, Oliver Lee and Leverett Baker, of Chautauqua, shall be commissioners; the duty of whom it shall be, within the period of six months after the passing of this act, at some suitable place in the city of New-York, and such other place as they may choose to designate, to open books to receive subscriptions to the capital stock of the said corporation, and twenty days' public notice shall be given by the said commissioners of the time and place of the opening of such books, in one of the public newspapers in each of the said places; and any five of the said commissioners shall constitute a board to receive subscriptions: and as soon as the same shall be subscribed, to give a like notice for a meeting of the stockholders, at such time and place as the

said commissioners may appoint, to choose seventeen directors; and such election shall be then and there made by such of the stockholders as shall attend for that purpose, either in person or by lawful proxy; each share of the capital stock entitling a stockholder to one vote; and the said commissioners, or such of them as shall attend for such purpose, shall be inspectors of the first election of directors of the said corporation, and shall certify, under their hands, the names of those duly elected, and deliver over the subscription books to the said directors. And the time and place of holding the first meeting of directors shall be fixed by the said commissioners. And the said directors shall have power to appoint an engineer, or engineers, and to cause such examination and surveys for the said rail-road to be made, as may be necessary to the selection of the most advantageous line or lines, for the location of the road: and the said directors shall, after such examinations and surveys shall be made, select, and by certificates under their hands and seals, designate the line, course or way, which they may deem most advantageous for the said rail-road; one of which certificates shall be filed in the office of the register of the city of New-York, and one in the office of each of the county clerks of the several counties through which the said rail-road or way shall pass; which line, course or way, so selected and certified, shall be deemed the line, course or way on which the said corporation shall construct, erect, build or make their single, double or treble rail-road or ways, as hereinafter mentioned: the expenses of all such surveys and examinations, and all manner of incidental expenses relating thereto, shall be paid for by the said corporation.

SEC. 5.—If, within three days after opening the subscription books as aforesaid, a sum exceeding ten millions of dollars shall be subscribed, the commissioners, who shall meet for that purpose, shall proceed to apportion the stock among the subscribers, and shall complete the apportionment within sixty days after the opening of said subscription; and any nine of the said commissioners shall constitute a board for the purpose of such distribution, if no more than nine of the said commissioners shall then attend for the purpose of making such distribution; and if the full amount of capital be not subscribed within three days, as aforesaid, then it shall be the duty of the commissioners to open the subscription books, from time to time, until the whole amount shall have been subscribed. The commissioners shall receive no subscription, unless five dollars on each share subscribed be paid at the time of the subscription.

SEC. 6.—The company, hereby incorporated, shall first construct, lay down and complete one line or track of rail-road from the city of New-York, or from some point on the western shore of the Hudson River, in the said southern tier of counties unto Lake Erie, and shall convey either passengers or materials thereon, before they shall lay down the rails of any part or portion of the said line or track of the said rail-road.

SEC. 7.—The said directors to be chosen at such meeting, or at such annual election, shall, as soon as may be after every election, choose out of their own number, one president, and one other person to be vice-president; and in case of the death, resignation or absence of the president, the vice-president shall preside until the next annual election thereafter, or until another president is chosen; and in case of the death or resignation of the president or vice-president, or of any director, such vacancy or vacancies may be filled for the remainder of the year wherein they may happen, by the board of directors; and in case of the absence of the president and vice-president, the board of directors shall have power to appoint a president pro tempore, who shall have and exercise such powers and functions as the by-laws of the said corporation may provide.

SEC. 8.—In case it should at any time happen that an election of directors shall not be made on any day, when pursuant to this act, it ought to have been made, the said corporation shall not, for that cause, be deemed to be dissolved; but such election may be held at any time within sixty days thereafter.

SEC. 9.—The corporation is hereby empowered to purchase, receive

and hold such real estate as may be necessary and convenient in accomplishing the objects for which this incorporation is granted, and may, by their agents, surveyor and engineers, enter upon and take possession of, and use all such lands and real estate as may be indispensable for the construction and maintenance of their single, double or treble rail-road or way, and the accommodations requisite and appertaining thereto: and may also receive, hold and take all such voluntary grants and donations of land and real estate, as shall be made to the said corporation for the purposes aforesaid, to aid in the construction, maintenance and accommodation of the said single, double or treble rail-road or way; but all lands or real estate thus entered upon, which are not donations, shall be purchased by the said corporation, of the owner or owners of the same, at a price to be eventually agreed upon between them; and in case of a disagreement as to price, and before making any portion of said road or said land, the said corporation, or the owner of such land, may apply by petition to the vice-chancellor of the circuit within which such land lies, particularly describing the lands to be appraised, who, upon such application, shall cause such notice to be given to the other party as he shall deem proper and sufficient, appointing therein the time and place of hearing the parties: at which time and place, upon proof that the notice directed has been given, the said vice-chancellor shall direct the manner of ascertaining the damages which the owner of such land or real estate will sustain by the occupation thereof by the said corporation; and the said vice-chancellor shall appoint three competent and disinterested commissioners, who shall be free-holders and residents of the county in which the land described in said petition is situate, and who shall, under the direction of the said vice-chancellor, make appraisements and determine said damages, and report in writing under their hands to the said vice-chancellor, who shall examine the same and hear the parties in relation thereto, if he deem it expedient, and increase or diminish the damages if he shall be satisfied injustice has been done. The report shall contain a minute description of the land appraised. The commissioners shall be allowed three dollars each a day for their services. Upon proof to the vice-chancellor, to be made within thirty days after his determination, of payment to the owner, or of depositing to the credit of the owner, in such incorporated monied institution as the said vice-chancellor shall direct, of the amount of said damages and the payment of all expenses, the said vice-chancellor shall make an order or decree, particularly describing the land and reciting the appraisement of damages and the mode of making it, and all other facts necessary to a compliance with this section of this act; and when the said order or decree shall be recorded in the office of the clerk of the said vice-chancellor, the said corporation shall be seized and possessed of such land or real estate, and may enter upon and take possession, and use the same for the purposes of the said road.

SEC. 10.—In case any married woman, infant, idiot or insane person, or non-resident of the State, who shall not appear after such notice, shall be interested in any such land or real estate, the said vice-chancellor shall appoint some competent disinterested person to appear before the said commissioners, and act for and in behalf of such married woman, infant, idiot, insane person or non-resident.

SEC. 11.—The said corporation is hereby authorized to construct, erect, build, make and use a single, double or treble rail-road or ways, of suitable width and dimensions, to be determined by the said corporation, on the line, course or way designated by the directors as aforesaid, as the line, course, and way whereon to construct, erect, build and make the same, and shall have power to regulate the time and manner in which goods and passengers shall be transported, taken and carried on the same; and shall have power to erect and maintain toll houses and other buildings for the accommodation of their concerns, as they may deem suitable to their interest.

SEC. 12.—The said corporation shall not at any point connect the said single, double or treble rail-road or ways with any rail-road, either of the State of Pennsylvania or New Jersey, or leading into either of

the said States, without the consent of the Legislature of this State, on pain of forfeiting the powers and privileges conferred by this act.

SEC. 13.—Whenever it shall be necessary for the construction of their single, double or treble rail-road or way, to intersect or cross any stream of water or water courses, or any road or highway, it shall be lawful for the said corporation to construct their way or ways across or upon the same; but the corporation shall restore the stream or water courses, or road or highway, thus intersected to its former state, or in a sufficient manner not to have impaired its usefulness.

SEC. 14.—It shall be lawful for the company hereby incorporated from time to time to fix, regulate and receive the tolls and charges by them to be received for transportation of property or persons on the single, double or treble rail-road or ways aforesaid, hereby authorized to be constructed, erected, built, made and used; and to take and receive tolls upon any part of said route, whenever and as fast as sections of ten miles are fully completed.

SEC. 15.—If any person shall wilfully do or cause to be done any act or acts whatever, whereby any building, construction or work of the said corporation, or any engine, machine or structure, or any matter or thing appertaining to the same, shall be stopped, obstructed, impaired, weakened, injured or destroyed, the person or persons so offending shall be guilty of a misdemeanor, and forfeit and pay to the said corporation double the amount of damages sustained by means of such offence or injury, to be recovered in the name of the said corporation, with costs of suit by action of debt.

SEC. 16.—It shall be lawful for the directors to require payment of the sums to be subscribed to the capital stock, at such times and in such proportions, and on such conditions, as they shall deem fit, under the penalty of the forfeiture of such stock, and of all previous payments thereon, and shall give notice of the payments thus required, and of the place and time when the same are to be paid, at least thirty days previous to the payment of the same, in a public newspaper published in the city of New York, and in each of the counties through which the said road shall pass, and in such other places as the said directors may deem proper to direct.

SEC. 17.—It shall be lawful for the said corporation to unite with any other rail-road company already incorporated upon the route of said road through said southern tier of counties, upon such terms as may be agreed upon by the directors of said company, in making a continuous rail-road from New York to Lake Erie; at all times, however, confining the route of said road to said southern tier of counties.

SEC. 18.—This said corporation shall possess the general powers, and be subject to the general restrictions and liabilities prescribed by such parts of title third of the eighteenth chapter of the first part of the Revised Statutes as are not repealed.

SEC. 19.—The directors of said company shall make an annual report, in detail, of their proceedings and expenditures, verified by the affidavit of at least two of them, which report shall be filed in the office of the Secretary of State; and in like manner shall, at the expiration of each year, for the term of fifteen years after the completion of said road, file in the said office a detailed statement of tolls received on such rail-road, and of all moneys expended by said company for repairs or otherwise for the purpose of said rail-road.

SEC. 20.—If the Legislature of this State shall, at the expiration of ten and within fifteen years from the completion of said railroad, make provision by law for the repayment to the said company of the amount expended by them in the construction of said rail-road, together with all moneys expended by them for permanent fixtures for the use of said rail-road, with interest on such sums at the rate of fourteen per centum per annum, together with all moneys expended by said company for repairs or otherwise for the purposes of said road, after deducting the amount of tolls received on said road, then the said rail-road, with all fixtures and appurtenances, shall vest in and become the property of the people of this State.

SEC. 21.—The Legislature may at any time hereafter alter, modify or repeal this act.

1833.

Petitions poured in upon the Legislature at its session for this year, praying for an amendment to the Erie article of incorporation, on the ground that in the provisions of the original bill it was impossible to organize a company, and for an extension of the time for completing the railroad. The petitions were referred to the Railroad Committees. January 17th, James C. Curtis, of Sullivan County, from the Assembly Railroad Committee, reported a bill amending the charter as prayed for. This bill passed the Assembly February 9th, by a vote of 87 to 5. It was debated in the Senate until April 6th, amended and passed on that day by a vote of 23 to 4. The Assembly concurred April 15th, by a unanimous vote. The bill was signed by the Governor April 19th.

*(Abstract of Act Amending Charter.)*

April 19, 1833. An act to amend the charter. Authorizing the commissioners to open books for subscriptions to stock the second Tuesday of July, 1833, at the Merchants' Exchange in New York City; to organize a company on subscriptions of \$1,000,000 and payment of ten per cent. of the subscriptions; whole route of the road to be surveyed before the construction of any section shall be undertaken; books to be opened from time to time, if a company is organized, until a sufficient sum is subscribed to complete the road, but time for completion is not extended. (Chapter 182, Laws of New York, 1833.)

1834.

January 8th, in the Assembly, a petition from the President and Directors of the Company, and a memorial from a convention of delegates from the City of New York and southern tier counties, praying the aid of the State in the construction of the railroad and for a survey of a route, were read and referred to the Railroad Committee.

February 3d, a memorial from Philip Church and 127 other citizens of Allegany County, remonstrating against the State extending aid to the present managers of the Company, and asking consent to withdraw their subscriptions toward the railroad, was read and referred to the Committee on Railroads. ("First Administration of Eleazar Lord," pages 21, 22.)

March 26th, Mr. Todd, from the majority of that committee, made a report on the memorials and petitions, deprecating the appropriation of public funds for the aid of private corporations, and recommending against it. The minority of the committee also made a report unfavorable to the appropriation.

April 4th, Charles Winfield, of Orange County, moved that the matter be recommitted to the Committee on Railroads, with authority to report a bill authorizing a survey of the route of the railroad by the State. This was agreed to by a vote of 66 to 33, Messrs. Coe and Shays, of the Committee on Railroads, voting in the affirmative. April 9th, Mr. Shays

reported a bill entitled "An Act to authorize the survey by the State of the route of the contemplated New York and Erie Railroad." It was referred to the Committee of the Whole. April 14th, on motion of John R. Drake, of Tioga County, it was taken from that committee and referred to a select committee to report on it. Mr. Drake, Merritt H. Cash, of Orange County, and Aaron Spafford, of Oneida County, were appointed on this committee.

April 16th, Mr. Drake reported that the committee had amended the bill, changed the title to "An Act to authorize the survey of a route for a railroad from the City of New York to Lake Erie." The bill was passed April 21st, by a vote of 64 to 33.

In the Senate, May 5th, the Assembly bill providing for the survey came up for final passage, having been in consideration by the Committee of the Whole since April 22d. Persistent effort was made to defeat it, but on that day it was passed by the narrow vote of 12 to 11. William H. Seward, of the Seventh District, led the opposition to the bill in all its stages. The bill became a law May 6th. It directed the Governor to appoint a competent and experienced engineer to "explore and survey a route for a railroad, commencing at the City of New York, or the most eligible and convenient point in its vicinity, and continue it through the southern tier of counties of the State, by way of Owego, to the shore of Lake Erie, at some eligible point between the Cattaraugus creek and the Pennsylvania line." The engineer was empowered to employ necessary assistants. A map and profile of the survey were to be placed with the Secretary of State. The aggregate of the cost of the survey was not to exceed \$15,000. This act is Chapter 311 of the Laws of New York for 1834.

1835.

February 9th, a petition from the officers and Directors of the Company, praying for a State subscription or loan of \$3,000,000 in aid of the railroad, was read in the Assembly, and referred to the Committee on Railroads, which, March 4th, reported a bill entitled "An Act to expedite the construction of the New York and Erie Railroad." The report was submitted to the Committee of the Whole. March 20th, this committee reported, through Peter P. Murphy, of Herkimer County, against the bill. The report was sustained by a vote of 61 to 47. ("Administration of James Gore King," pages 32-35.)

Prosper M. Wetmore, of New York, offered a resolution that, inasmuch as the survey for such a railroad ordered by the State having demonstrated its practicability and construction at a reasonable expense, the Committee on Railroads be instructed to prepare and report a bill to provide for the construction by the State of a railroad from the City of New York to Lake Erie. The bill was laid on the table.

April 24th, James J. Roosevelt, Jr., of New York, introduced a bill entitled "An Act to further amend the act to incorporate the New York and Erie Railroad Company,

passed April 24, 1832," and it was passed the same day. The Senate amended the act, and on May 6th the House agreed to the amended bill and passed it. It became a law May 8th, and was entitled "An Act to further amend the act of incorporation." It authorized the Company to begin the railroad at any point on the route designated, and to put in operation a single or double railway on any section thereof when completed—but the several sections to be completed within the periods limited by the charter; certificates designating sections of the line and course of the railroad to be filed in the offices of the clerks of the counties through which the same should pass. This act is Chapter 247 of the Laws of New York for 1835.

## 1836.

In the Assembly, February 12th, a memorial from the Corporation of the City of New York, praying for the passage of a bill granting financial aid to the Company, a resolution to the same purpose from the Mayor and Common Council of Brooklyn, and petitions from Westchester, Delaware, Genesee, Allegany, and Cattaraugus counties, were presented. They were all referred to the Committee of the Whole, the Committee on Railroads, for some reason, being ignored in their consideration.

February 18th, Orville Robinson, of Oswego County, reported from the Committee of the Whole a bill entitled "An Act to expedite the construction of a railroad from New York to Lake Erie." John Wilkinson, of Onondaga County, led in strong opposition to the bill, but the report was adopted by a vote of 61 to 51. February 20th, the bill came up for final action. Preston King, of St. Lawrence County, moved it be referred to the Committee on Two-third Bills. The Speaker (Charles Humphrey, of Tompkins County) ruled the motion out of order. Mr. King appealed from the decision of the chair. The decision was sustained. After lively debate and unsuccessful efforts for an adjournment the bill was voted on, and was decided in the affirmative by a vote of 63 to 45. The Speaker decided the bill passed. Preston King appealed from the decision, which Mr. Robinson moved to lay on the table. Amid great confusion a motion to adjourn was made and voted down. The motion to lay on the table the motion appealing from the decision of the chair was withdrawn, and was renewed by Mr. King himself. It was voted down. The question on the appeal was put by the Speaker, and the chair was sustained by a vote of 61 to 29.

In the Senate, February 23d, the Assembly bill was referred to the Committee on Railroads. March 3d, Mr. Mack, from that committee, made a voluminous report on the bill, and recommended its passage.

The bill was referred to the Committee of the Whole.

April 22d, the bill was passed by a vote of 17 to 12. It was signed by the Governor April 23d, and was the first legislative act granting State aid to the Company. ("Administration of James Gore King," pages 38-40.)

*(Abstract of the First Erie Relief Bill.)*

*An Act to expedite the construction of the New York and Erie Railroad.* It authorized the Comptroller to issue \$600,000 in special certificates of stock, at 4½ per cent. interest, payable quarterly, when a continuous line of single track railroad should have been constructed from the Delaware and Hudson Canal to the Chenango Canal; \$700,000 on completion of the road from the Chenango Canal to the Alleghany River; \$300,000 on completion of the road from the Alleghany River to Lake Erie; \$400,000 on completion of the road from the Hudson River in Rockland County to the Delaware and Hudson Canal; \$1,000,000 on the completion of the line of double track from the Hudson River to Lake Erie; certificates of acceptance of stock to be filed by the Company with the Comptroller before the issuing of any stock by him, such certificate of acceptance to be recorded and become a lien on the Company's property as security for the payment of the principal and interest of the amounts of stock accepted; the stock to be denominated "The New York and Erie Railroad Stock," for the payment of the interest and redemption of the principal of which the credit of the State was pledged; stock to be issued in certificates not exceeding \$1,000 each, payable to the Company on its order, and assignable or transferable on the Company's books at such bank in New York city as the Comptroller should designate, or such other place in the said city as the Legislature should direct; stock to be reimbursable at any time within twenty years from its respective issues, interest payable at the office of transfer on the first days of January, April, July, and October; stock to be sold by auction within three months after its receipt by the Company, under direction of the State Comptroller, in the City of New York; any premium raised on such sale to be paid into the school fund of the State; if stock was not salable at par at such sales, the Company, with advice and consent of the Comptroller, to defer the sale until such time as he might think expedient; the Company to provide for the punctual payment of interest and redemption of stock, the tolls and income of the road, after paying necessary expenses, being pledged for the payment of the interest; no stock to issue until full and satisfactory proof was given the Comptroller, to be approved by the Attorney-General, that no prior lien or incumbrance existed on the Company's property. In case of default in payment of either interest or principal of the stock, the Comptroller was to sell the road and its appurtenances by auction to the highest bidder, after six months' notice of time and place of sale, published once in each week in the State paper, and in two newspapers in New York city; or to buy in the same at such sale for the use and benefit of the State, subject to such disposition as the Legislature might thereafter direct. (Chapter 170, Laws of New York, 1836.)

## 1837.

In the Senate, May 11th, the memorial of the Company for an amendment to the Act of April 23, 1836, granting it further aid, was read and referred to the Committee on Railroads. May 13th, Mr. Mack, from that committee, made a report against the memorial, and no aid was granted.

## 1838.

The Legislature was flooded with petitions from all along the line praying for State aid for the railroad. They were referred to the Committees on Railroads. In the Assembly, February 13th, Mr. Holley, of that committee for that body, reported a bill entitled "An Act to amend an act to expedite

the construction of a railroad from New York to Lake Erie, passed April 23, 1836."

The bill was opposed at every stage, under the lead of Preston King, of St. Lawrence County, but, March 18th, it passed the Assembly by a vote of 84 to 12. It passed the Senate April 14th, by a vote of 21 to 7, and was signed by Governor Marcy April 18th.

This was the first act of the Legislature that extended any real aid to the Erie project. It amended the act of April 23, 1836, so that when the Treasurer and two of the directors of the Company should satisfy the State Comptroller by affidavit that \$300,000 collected on the State stock had been expended in the survey and construction of the road, he should issue to them \$300,000 of the special certificates, in sums of \$100,000 each, evidence to be furnished by the Company that one installment had been expended according to law before another should issue; and when the Company had expended this \$300,000, the Comptroller to issue \$100,000 for every similar sum of \$100,000 expended by the Company in the actual construction of its railroad and collected on its capital stock, as well as the whole proceeds of the sales of State stock previously issued; continuing the issues of \$100,000 under like circumstances until the total amount of stock thus issued should equal \$3,000,000; no part of this stock to be issued until ten miles of the railroad extending westerly from the Hudson River at Tappan, in the county of Rockland, and ten miles eastwardly from Dunkirk, in the county of Chautauqua, should have been located, and grading for such sections actually under contract. This act is Chapter 226 of the Laws of New York for 1838. ("Administration of James Gore King," page 43.)

#### 1839.

The feeling of the people, as indicated by the petitions that poured in on the Legislature at this session, was almost unanimously in favor of the abandonment of the railroad by the Company and the turning of the work over to the State. In response to these petitions and to a memorial from the Directors of the Company itself, January 19th, Mr. Scoles, of the Assembly Committee on Railroads, reported a bill providing for State ownership of the railroad. It was referred to the Committee of the Whole.

March 28th, Levi S. Chatfield, of Otsego County, introduced a bill postponing for ten years the loan to the Company of the credit of the State for \$3,000,000, or so much of it as had not been actually made. It was referred to the Committee on Railroads.

In the Senate, February 13th, a communication from the Company setting forth the crisis in its affairs was read, and February 14th Noadiah Johnson, of the Committee on Railroads, reported on the petitions, and introduced a bill providing for the construction of the railroad by the State. The bill was debated and amended in the Committee of the Whole until April 3d, when it was reported to the Senate. It was rejected by the close vote of 15 to 14.

April 23d, the Assembly passed the Scoles bill of January 19th, providing for the construction of the railroad by the State, and it was sent to the Senate for action. It was referred to the Committee on Railroads of the Senate, which reported it favorably April 26th. It was in daily debate in the Committee of the Whole until April 30th, special sessions being held for the purpose. On that day it was reported, with amendments. The excitement was intense over the outcome of the vote on the bill, which resulted in its rejection by the close vote of 17 to 14.

May 4th, Mr. Scoles, from the Assembly Railroad Committee, reported against the Chatfield bill of March 28th, postponing for ten years the loan of the credit of the State, and it was rejected. ("Administration of James Gore King," pages 46, 47.)

#### 1840.

In the Assembly, January 29th, Wm. H. L. Bogart, of Tompkins County, presented the petition of the Company for a modification of the act loaning the credit of the State. It was placed in charge of the Committee on Railroads.

February 6th, Benjamin Enos, of Madison County, offered a resolution requesting the Comptroller to report to the House the amount of stock he had issued to the Company under the Act of 1838, and what amount had been issued the past year, and to report what evidence the Company had given him that it had collected any portion of its capital stock and expended it in actual construction of the railroad.

Andrew G. Chatfield, of Steuben, offered an amendment by adding that the Comptroller also report the amount of stock that had been sold under his direction since January 1, 1839, for the benefit of the Company, and the sum obtained for it. The amendment was adopted.

February 8th, Bates Cooke, State Comptroller, reported in response to the resolution. February 11th, Elihu Townsend, Treasurer of the Company, reported in response to the Bogart resolution the evidence as to how much capital of the Company had been expended in construction—\$400,000.

February 15th, on motion of James J. Roosevelt, Jr., of New York, the Secretary of State was requested to lay before the House the annual reports, if any, of the proceedings and expenditures of the Company, pursuant to the nineteenth section of their articles of incorporation. February 19th, John C. Spencer, the Secretary of State, transmitted the reports pursuant to the resolution.

February 25th, on motion of James J. Roosevelt, Jr., the Company was ordered to furnish to the Secretary of State forthwith a copy of its report for 1839, in detail, pursuant to the act of incorporation, and the Secretary of State to submit it to the House as soon as it was filed in his office, and that the Company report to the House without delay what provision had been made by it for the punctual redemption of the State stock issued to it, and punctual payment of the interests which had accrued, and should accrue, on it,

according to the act authorizing it. Adopted, 84 to 18. The Company's report for 1839 was submitted February 25th.

February 27th, on motion of Charles A. Mann, of Oneida County, the Company was required to report without delay the names of the purchasers of the \$100,000 State stock issued by the Comptroller December 4, 1839; details of how the money received for it was spent; names of stockholders who took the last \$100,000 of the capital stock of the Company (in addition to the \$300,000 previously expended); time each holder paid; time when the call was made by the Company for such payment; whether paid in money, labor, materials, or otherwise; amount of subscriptions to the stock during 1839, and names of the subscribers; whether any certificates for stock were issued during 1839, and if so, when, in particular on contracts for materials or labor thereafter to be furnished, and the names of such contractors and stockholders, and amount of stock issued to each; and that the report be verified under oath of the President of the Company.

On motion of Mr. Roosevelt the resolution was amended so as to ask the date, amount, and nature of the contracts, names of the officers, Directors, and stockholders of the Company, with their names and residences, and whether any changes had taken place since January 1, 1838; whether the officers having the custody of the moneys derived from the sale of the State stock issued to the Company had given security, and what security, for safe-keeping and faithful application of them, and names of such officers; whether any sales had been made of the stock of the Company since January 1, 1838, and at what time and rates; whether the stock had any, and if so what, market value; and that said report be verified under oath of the President of the Company.

March 6th, Mr. Roosevelt moved that the Comptroller be directed to suspend the delivery of any State stock to the Company beyond \$400,000 already issued, until further order of the Legislature. This was rejected by a vote of 82 to 25.

Eleazar Lord, President of the Company, in response to the resolution of February 27th, reported under date of March 18th, and the report was read in the Assembly March 20th.

In the Senate, February 26th, Mr. Furman, of the Committee on Railroads, to which had been referred the petitions of citizens of Delaware, Chenango, and Broome counties, and of various stockholders of the Company, that the railroad should be made a State work, reported in favor of the petitioners, and asked permission to introduce a bill to that effect, which was granted, but the bill was not introduced.

March 25th, in discussion on a bill entitled "An Act to amend the Act entitled 'An Act to amend an Act entitled 'An Act to expedite the construction of the New York and Erie Railroad,'" an effort was made by the opponents of the bill to refer it to a select committee to inquire into and investigate the Company's management as to alleged speculations in real estate, at the supposed terminations of the railroad and along the line, by its Directors, managers, or persons interested in the Company, and whether the Company was

influenced in locating the route and terminations by any speculation, but the resolution was voted down by a vote of 16 to 9.

The aid bill passed the Senate by a vote of 15 to 10.

March 3d, in the Assembly, Mr. Hubbard, from the Committee on Railroads, brought in a report favorable to the petitions and memorial, and presented a bill entitled "An Act to facilitate the construction of the New York and Erie Railroad." March 27th, the Senate sent to the Assembly for concurrence a bill for a similar purpose. It was considered in the Committee of the Whole until April 23d, when it was referred to a select committee composed of Elias Clarke of Livingston County; Demas Hubbard, Jr., and Arnold B. Watson of Otsego County. The bill was reported from the Select Committee the same day, with the title changed to "An Act to amend the several Acts in relation to the New York and Erie Railroad." April 24th, it passed the Assembly by a vote of 57 to 29, A. G. Chatfield of Steuben County, George A. French of Chautauqua County, and John A. King of Queens County being excused from voting because they were stockholders in the Company and interested in the passage of the bill.

April 28th, the Senate concurred in the bill as amended by the Assembly, by a vote of 15 to 9.

This act, which is Chapter 140, Laws of New York for 1840, amended the several acts in relation to the New York and Erie Railroad, and authorized the Comptroller to issue, in conformity with the provisions of the Act of April 16, 1838, special certificates of stock to the Company to the amount of \$100,000, bearing such a rate of interest, not exceeding six per cent., as in the Comptroller's judgment would make the stock salable at par; and for every further sum of \$50,000 expended by the Company the Comptroller to issue \$100,000 under the same conditions of interest rate, the whole amount of stock thus issued not to exceed \$400,000 during the year 1840; a Railroad Inspector to be appointed by the Governor to examine the work on the railroad, whenever stock was applied for, and certify to the Comptroller whether avails of previous State stock had been expended according to the intent of the act; the Inspector to be paid by the Company from the proceeds of the stock the compensation allowed by law to canal appraisers; stock to be withheld if the Inspector found the provisions of the act not fully and fairly complied with, until the Company complied with the conditions thereof; stock that might be issued under this act to be deemed part of the \$3,000,000 authorized to issue by the Act of April 23, 1836. The Company was authorized to exchange the \$100,000 in four and one-half per cent. State stock last issued to it for a like amount of the certificates provided for in this act; interest to be deposited at a New York city bank designated by the State Comptroller five days before it became due, and notice to be given him of the fact; in default thereof, the Comptroller was to make provision for the payment of the interest, such advance, with interest, to be refunded to the State by the Company on demand, in default of such pay-

ment the Comptroller to enforce it by law. All the provisions of the Act of April 23, 1836, except the first section, were to apply to the stock authorized by this act, which was to take effect immediately.

1841.

This year, there being no Erie legislation before the Senate or Assembly, the Assembly ordered an investigation of the affairs of the Company. The matter was referred to the Committee on Railroads—Erastus D. Culver of Washington County, Jonathan Arthur of Dutchess County, William C. Pierrepont of New York, Seth C. Hawley of Erie County, Reuben Howe of Montgomery County. It was subsequently placed in charge of a special committee—A. G. Chatfield, C. G. Graham, and William B. McClay.

1842.

January 18th, the Select Committee of the Assembly of 1841, appointed to investigate the affairs of the Company, made its report, exonerating the Company from the charges.

Petitions for aid to the railroad, remonstrances against it, remonstrances against the locating of the route in the Delaware Valley and its passing into Pennsylvania, were sent to the Senate by the thousand. They were referred to the Committee on Railroads, March 1st. Mr. Scott, from that committee, made a report and introduced a bill entitled an "Act in relation to the New York and Erie Railroad." Same day, Andrew B. Dickinson, of the Sixth District, introduced a bill entitled "An Act to expedite the construction of the New York and Erie Railroad by the State." March 11th, James Faulkner, of the Sixth District, introduced a bill entitled an "Act to aid the construction of the New York and Erie Railroad."

March 16th, Mr. Scott, of the Senate Committee on Railroads, reported in favor of the remonstrance of citizens of Sullivan, Orange, and Ulster counties against changing the route to the Delaware Valley, and was given leave to introduce a bill preventing the change. March 30th, the Committee on Railroads, to which had been referred the bill in relation to the construction of the railroad by the State, reported against the bill.

April 1st, the Senate Railroad Committee's bill entitled "An Act in relation to the New York and Erie Railroad" was passed unanimously, and sent to the Assembly for action.

April 6th, the Faulkner bill of March 11th, extending the aid of the State to the railroad, was rejected by a vote of 18 to 12.

April 8th, Mr. Bockee, of the Senate Committee on Railroads, introduced a bill entitled "An Act to amend an act entitled 'An Act to incorporate the New York and Erie Railroad Company.'" April 11th, the bill "in relation to the New York and Erie Railroad," passed by the Senate April 1st, was returned from the Assembly with a message stating that it

had been passed without amendment as a majority bill. It was sent back to the Assembly with the information that in the opinion of the Senate the bill required a two-thirds vote, and it was laid on the table. Same day, the Senate received from the Assembly the Senate bill of April 8th, amending the act of incorporation of the Company, which the Assembly returned with amendments. The amendments were concurred in, and the bill passed by a vote of 24 to 1. This was the act extending the time of completing the railroad.

The Legislature adjourned by joint resolution, to meet in extra session August 16, 1842, the business of the extra session to be confined to the apportionment of the congressional districts of the State. Erie affairs were left in a most unsatisfactory situation. The Company had defaulted to the State, had gone into bankruptcy, and the road had been advertised by the Comptroller for sale. ("Administration of James Bowen," pages 57-66.) Favorable legislation was needed to insure the prospects of the Company and the railroad.

#### AT THE EXTRA SESSION.

August 16th, the proceedings of a convention held July 20th at Owego of delegates from the various counties interested in the construction of the railroad were read in the Assembly and laid on the table.

Mr. Leland offered a resolution that the joint resolution confining the business of the extra session to the apportionment of congressional districts be so modified as to allow the Legislature to proceed to business in relation to the sale of the New York and Erie Railroad, which was tabled.

August 18th, in the Senate, Mr. Faulkner offered a concurrent resolution that so much of the joint resolution as confined the subject of legislation to congressional apportionment be so modified as to allow legislation on the following concurrent resolution:

*Resolved* (if the Assembly concur), That the Comptroller be and is hereby authorized and directed to suspend all further proceedings in the collection of the debt or debts due the State from the New York and Erie Railroad Company until the further order of the Legislature.

Laid on the table.

In the Senate, August 20th, Mr. Faulkner offered a resolution modifying the joint resolution of August 18th, confining the business of the extra session to the congressional apportionment, so that legislative action might be taken in relation to the sale of the New York and Erie Railroad by the Comptroller, as follows: "That the Comptroller be notified and directed to bid in at the sale (advertised to take place at the Capitol in Albany on the 31st day of December next) of the New York and Erie Railroad, on behalf of the State, at an amount not exceeding that of the State mortgage of three millions of dollars and the interest thereon."

John Hunter, of the Second District, moved to amend the

Faulkner resolution (if the joint resolution was modified) so that it would read: "That the Comptroller be and is hereby authorized and directed to postpone the sale of the New York and Erie Railroad and its appurtenances until the first Tuesday of May next."

Carried by a vote of 15 to 11.

August 27th, the Assembly concurred in the amended Faulkner resolution, and the sale of the railroad was postponed.

The session of 1842 left the Company newly fortified against adversity so far as the following acts could provide assistance:

*Act of April 11th.*—Extending for two years from date, the time prescribed by the act of incorporation of April 24, 1832, for finishing and putting in operation one-fourth of the railroad, nothing in the act to be construed to impair the rights of the State by virtue of its lien on the road, nor to release the Company from any penalty or forfeiture, in consequence of any neglect or refusal of the Company to pay the interest on the State stock. (Chapter 227, Laws of New York, 1842.)

*Concurrent Resolution.* August 27, 1842. Modifying the joint resolution of April 9th, confining the subject of the special session of the Legislature to apportionment of congressional districts, and authorizing the Comptroller to postpone the sale of the railroad until the first Tuesday of May, 1843.

### 1843.

January 23d, in the Senate, James Faulkner, from the Committee on Railroads, to which was referred the memorial of the President and Company, and petitions praying for a bill giving the Company authority to negotiate a loan of \$3,000,000, that would be a lien prior to the State's, introduced such a bill. It was referred to a select committee.

February 8th, on motion of John Porter, of the Seventh District, it was

*Resolved,* That the President and Directors of the New York and Erie Railroad Company furnish, forthwith, to the Senate a statement showing whether or not the said Company, or any officer or agent of said Company, in their behalf, had, at the time when the President of said Company informed the Governor that the interest, which would become due on the stock loaned by the State to the said Company, on the first day of April then next, would be in default, any of said stock unsold, or if pledged, to whom and on what terms; or any money deposited in bank; and if so, how much; and in what bank or banks the same is deposited.

And that they further state whether the said Directors, or any officer of said Company, have assigned, transferred, or in any way pledged their said railroad, or any part thereof, or any and what part of their personal property; and if so, when and to whom, and for what purpose said assignment, transfer, or pledge was made; and that they send with said statement a copy or copies of any such assignments, transfers, or pledges.

That the clerk deliver a copy of said resolution to the President and Directors of the New York and Erie Railroad Company.

February 17th, the statement requested was submitted by the Company. (Senate Document No. 38, 1843.)

March 3d, the Faulkner bill was reported from the Committee of the Whole, and Nehemiah Platt, of the Sixth Dis-

trict, moved that one providing that the railroad be declared a State route be substituted for it, which was rejected, 21 to 5.

March 4th, William C. Ruger, of the Fifth District, moved that the bill be referred to the Attorney-General for his opinion as to whether it was a two-thirds bill. Rejected, 17 to 10. The Faulkner bill received 19 votes to 18 against it, and the chair decided it passed. Mr. Ruger appealed from the decision of the chair, upon the ground that the bill was a two-thirds bill. Warm debate followed, and was continued daily until March 6th, when the chair was sustained by a vote of 14 to 12.

March 20th, the memorial of the President, Managers, and Company of the Delaware and Hudson Canal Company, praying for the passage of a law to prohibit the New York and Erie from locating the road in the Delaware Valley, between Port Jervis and the town of Cochection, was read and referred to the Committee on Railroads. March 31st, Mr. Scott, from the Committee on Railroads, to which the memorial was referred, reported a bill on the subject, favorable to the petition.

February 21st, in the Assembly, Robert Flint, of Allegany County, introduced a bill to provide for the construction of the New York and Erie Railroad by the State.

April 5th, Samuel G. Hathaway, Jr., of the Select Committee to which was referred the Senate bill in relation to the construction of the railroad, reported agreement with it without amendment.

Willis Hall, of Albany, moved to amend by striking out all after the enacting clause, and inserting a section providing that the State should loan the Company \$3,000,000 as soon as it had completed its railroad from Dunkirk to the Hudson River, and procured all necessary locomotives and cars and appurtenances for operating it. Rejected by a vote of 72 to 25.

Alonzo Hawley, of Cattaraugus County, moved the substitution for the Senate bill of one directing the Comptroller to sell the road and bid in the same for the State, unless some one bid the amount due the State; placing the road under the control of the Canal Commissioners, and whenever the enlargement of the Erie Canal should be resumed, one dollar to be spent on the construction of the railroad for every two spent on the canal, until the railroad was completed. Rejected by a vote of 72 to 22.

Frantic efforts were made to have the Senate bill referred to the Committee on Two-third Bills, and to the Attorney-General for his opinion, but they were defeated, as were the numerous motions to adjourn that were made during the warm debate. The bill was finally, on the motion of Jonathan Stratton, of Sullivan County, recommitted to the Committee of the Whole, which reported it favorably April 14th, and it received a vote of 68 to 25 votes against it. The Speaker declared it passed. Thomas Sherwood, of Onondago County, appealed from the decision of the chair, on the ground that the bill required a two-thirds vote. The decision of the chair was sustained by a vote of 54 to 39.

The controversy on this point called forth a long statement from the Speaker, defending his decision and justifying it.

This latest Erie bill, known as the Faulkner bill (Chapter 200, Laws of New York for 1843), became a law April 18th. It suspended the sale of the railroad, as provided for by the Act of April 23, 1836, until July 4, 1850, on condition that the Company should actually resume work of construction within two years from date, prosecute it as fast as funds could be raised, and complete for use a single track from the Hudson River to Lake Erie, with necessary turnouts, depots, etc., within seven years from date; authorized the issue by the Company of bonds not exceeding \$3,000,000 in the aggregate, of denominations not less than \$200, principal to be made payable in not less than eight years from date, a portion or whole of the road to be pledged as security for such payment; bonds to be countersigned by a Railroad Commissioner, to be provided for; duplicates to be filed in the Comptroller's office; no bond to be valid until thus countersigned and filed; bonds to be an absolute lien on the railroad and its appendages, or upon divisions thereof, prior to any lien or incumbrance which the State has by virtue of any previous acts, upon condition that each bond should specify on its face that the State was not responsible for its payment; that within two years after the completion of the road the Legislature might pay the Company the cost of constructing the road and its appendages, with seven per cent. interest, deducting the amount of stock loaned by the State and the net proceeds derived from the use of the railroad, and take possession of it as the property of the State; in case such purchase not being made, the Company to be released from all obligation to redeem the \$3,000,000 of stock issued to it by the State, and all interest due thereon; a Railroad Commissioner to be appointed by the Governor to examine the progress of the work, approve and countersign the bonds and contracts made by the Company, and see that the proceeds of the bonds were faithfully and economically expended for the purposes on which they were authorized to be issued; examine vouchers of all payments, and report to the Canal Board the result on the first Tuesday of January of each year; no contract exceeding \$200 to be binding on the Company unless countersigned by the Commissioner, the State not to be liable for any contract, whether so countersigned or not. In case of non-payment of bonds, the holder was authorized to deliver same to the Comptroller, who will proceed to sell the property pledged for their security. ("Administrations of William Maxwell and Horatio Allen," pages 67 and 71.)

1844.

The Erie question at this session of the Legislature that aroused the most public interest was a proposed bill to authorize the City of New York to vote on the matter of subscribing \$3,000,000 toward the aid of the railroad. ("Ad-

ministration of Horatio Allen," page 70.) Remonstrances against such a bill, signed by Peter Lorillard, Jr., Peter Schermerhorn, John Anthon, and others, were presented. The bill was never reached.

March 25th, Mr. Faulkner introduced in the Senate a bill entitled "An Act to amend an act entitled 'An Act to incorporate the New York and Erie Railroad Company.'" It passed the Senate April 2d, by a vote of 22 to 2, and the Assembly April 5th.

This act amended the articles of incorporation, so as to further extend the time for finishing and putting in operation one-fourth of the railroad for the period of two years from date. (Chapter 118, Laws of New York, 1844.)

1845.

The Company's affairs, instead of being made easy and promising by the Legislature of 1843, had been complicated by it, for when the Company essayed to place its bonds authorized by the Act of 1843, it was discovered that the language of the act was so ambiguous that there was grave doubt whether priority of lien of the bonds was not made to depend on the completion of the road within the prescribed time, and investors would not accept them as security. This was a circumstance of such vital importance that the Company, in 1845, appeared again as an applicant for legislative interference, and solicited the passage of an act removing the cloud on the title of the proposed bonds to priority of lien. Another matter that affected the progress of the railroad's construction, and which required legislative authority before the Company could deal with it satisfactorily, was the final location of the route for the road between the Shawangunk Summit, in Orange County, and Binghamton, in Broome County. So the time of the session of 1845 was largely occupied with the consideration and discussion of bills having the settlement of these vexing questions in view.

Petitions for, and remonstrances against, the surrender of the lien of the State on the Company's property were presented, and, on January 25th, Mr. Van Valkenburg, of the Assembly Committee on Railroads, to which they were referred, reported in favor of such a surrender. January 2d, Mr. Van Valkenburg offered the following:

*Resolved* (if the Senate concur), That pursuant to the twelfth section of the act incorporating the New York and Erie Railroad, the consent of the Legislature be and is hereby granted allowing said Company to connect the railroad authorized by the said act, with a continuation of about 16 miles of the line thereof into the State of Pennsylvania, around the great bend of the Susquehanna; and also to connect the same with a continuation of not exceeding 25 miles of the line thereof into said State of Pennsylvania, along the southerly side of the Delaware River, in the County of Pike, opposite to, and in order to avoid all interference with, the Delaware and Hudson Canal; and also to connect the railroad with the Blossburgh and Corning Railroad, at the intersection thereof in the village of Corning; provided that the line of said railroad shall, as heretofore contemplated, pass through the villages of Deposit, in Delaware, and Binghamton, in Broome counties.

This was to meet the conditions of Pennsylvania legislation granting the railroad right of way through that State. Its purpose was covered by one of the provisions of the act subsequently passed.

February 6th, the remonstrance and papers relative to the locating of the road in the Delaware Valley or out of the State, made in 1843, were ordered from the files and referred to the Committee on Railroads. February 21st, Thornton M. Niven, of Orange County, offered a resolution to the effect that "the ability of the Delaware and Hudson Canal Company to meet its obligations to the State depends on its ability to carry on its regular business undisturbed by the operations of the New York and Erie Railroad Company, and that the Comptroller be requested to furnish to the Assembly a statement showing the amount of the indebtedness of these companies to the State, and also whether they, or either of them, have paid the interest on their indebtedness to the State."

March 1st, Mr. Morrison, from the Assembly Committee on Railroads, reported in favor of the resolution referring to the change of route of the railroad. March 11th, Mr. Van Valkenburg, of the same committee, reported a bill entitled "An Act in relation to the construction of the New York and Erie Railroad."

In the Senate, March 20th, Mr. Faulkner introduced a bill entitled "An Act to authorize the New York and Erie Railroad Company to construct a branch terminating at Newburgh." This was passed March 28th, by a vote of 22 to 2, Carlos P. Scovill, of the Fifth, and Albert Lester, of the Seventh District, voting against it. The Assembly concurred in the bill April 5th.

April 29th, the Van Valkenburg bill of March 11th passed the Assembly by a vote of 92 to 20, and May 14th, on motion of Mr. Faulkner, it was concurred in by the Senate by a vote of 24 to 4.

This act amended the bonding act of 1843 and combined with it the provision for the final locating of the route of the railroad. ("Second Administration of Eleazar Lord," pages 76-85.)

*(Abstracts of Enabling Acts of 1845.)*

*April 8th.*—Authorizing the Company to construct a branch of its road in Orange County, with single or double track, from the main line at a point not to exceed one and a half miles east of the village of Chester, and extending to the village of Newburgh, at such point as may be agreed upon between the Company and the trustees of that village, running through Front Street to the north part of the village, under direction of the trustees; to purchase all the rights and privileges that the Hudson and Delaware Railroad Company held under its charter; the Company not to connect its branch with any railroad leading into Pennsylvania or New Jersey, west of the Shawangunk Ridge, by virtue of any power contained in the charter of the Hudson and Delaware Railroad Company. (Chapter 50, Laws of New York, 1845.)

*May 14th.*—Authorizing the Company, after obtaining bona fide subscriptions to the amount of \$3,000,000, 25 per cent. paid in, and discharging all liens and incumbrances on its real estate, except the State lien, or satisfying the Attorney-General that owners of such

liens have consented to the priority of the bonds to be issued over such liens, to issue to the State, in liquidation of the debt due the State, \$3,000,000 in bonds of not less than \$1,000 each, at not more than 7 nor less than 5 per cent. interest, payable in not less than six nor more than twenty years, the bonds to be numbered and registered in the Secretary of State's office, and become mortgages to the State on all the Company's property, and to have priority of lien over all previous obligations; an agent appointed and paid by the Company, and approved by the Governor, to apply the bonds in the purchase of materials for the construction of the road, or to negotiate the sale at not less than par, and to apply the proceeds in payment for materials and labor; the Comptroller to assign all bonds, the purchase of which has been contracted for through the agent, on approval of the Board of Directors, to the purchasers, the assignment being endorsed upon the bonds, with no recourse to the State, but not more than \$750,000 to be assigned until it shall be satisfactorily shown that the Company has expended \$1,500,000 in actual construction of the road since the passage of this act; after which, assignments shall be made of bonds upon the showing of the Company that an additional sum equal to the amount of the bonds to be assigned has been paid in on the subscriptions to the capital stock and expended in the construction of the railroad, and equal in amount to the aggregate amount of bonds already assigned and the amount desired to be assigned at any one time, but none of these subsequent assignments to be for more than \$500,000; the Company, at the time of each and every assignment of bonds, to deposit with the Comptroller a sum sufficient to meet the annual interest, such amount to be invested by the Comptroller in the stock of the State, and the interest on the bonds to be paid by him when due out of such funds, all funds remaining in his hands, in case the railroad should be completed before they are all expended, to be delivered to the Company; no materials purchased by proceeds of the bonds to be liable to seizure for any debt of the Company until permanently fixed in or upon the road, and all moneys obtained by sale of bonds to remain in the custody of the agent and be paid out by him for material or wages, on estimates for the one or certificates for the other. The time for completing a single track is extended for six years from date, and if the same is constructed within that time, adopting the route between the summit of the Shawangunk Ridge and a point one mile westward of the village of Binghamton, as established under this act, and cars and engines have passed over the same, affidavit to that effect having been filed by the President of the Company with the Comptroller, from the time of filing the affidavit the Company to be released from all liability to the State for any debt due from it to the State, with the exception that if any of the capital stock of the Company previously issued and certified or purporting to be paid in full shall not be exchanged by the holder or holders, two shares for one, in stock to be hereafter issued, within six months, it shall not be subject to the conditions of this act, but the State shall retain the right to claim on such outstanding stock, and the Company shall pay to the State all dividends on it, the same to be applied to the credit of the Company until the State shall receive in such dividends so much of its debt of \$3,000,000, and the interest thereon, as would be the proportion of such outstanding stock to pay, provided the whole of such debt were collected ratably from all the stock outstanding. If the Company fails to complete the railroad according to the provisions of this act, it shall be liable to pay to the State the amount of all bonds assigned by the State for its use. This act gave the State the option of repaying, within one year after completion of the road, the cost of the road and its fixtures, with interest at 14 per cent. per annum, together with the amount expended by the Company for repairs, etc., deducting amount of tolls received and proceeds of any bonds assigned by the Comptroller for the use of the Company, and taking possession of the property. No foreclosure proceedings to be had within one year after passage of this act. The Act of April 18, 1843, and all other acts or parts of acts inconsistent with this act, repealed.

The act further provided that the railroad "shall be constructed between Deposit, in Delaware County, and a point on the west side of Chenango River, one mile westerly of the village of Binghamton, in Broome County, on or near the route established by Benjamin Wright, via Nineveh and Page Brook, with the privilege of running the same through Chenango County: Provided said route is practicable and can be adopted without prejudice to the public interest, which shall be decided by the certificate of John B. Jervis, Orville W. Childs, and Horatio Allen, engineers, or by any two of them. If they decide that route not to be practicable, they shall locate the route from Deposit to and through the village of Binghamton to a point one mile westerly of that village, or any other route, or by the great bend of the Susquehanna River; and the Company is authorized to construct the road in the county of Susquehanna in the State of Pennsylvania, as may be necessary for that purpose; the engineers to survey all the proposed routes between those points.

The Company is required to construct the road between the summit of the Shawangunk Ridge and Deposit, within the State of New York, through the interior of Sullivan County, and, if necessary, through a portion of the county of Ulster, providing a practicable route can be obtained, which is to be decided by the same engineers; but in case they shall not so decide, the Company is authorized to construct a portion of its road on such route as the Directors shall decide through the counties of Sullivan and Ulster, the engineers to survey all the routes proposed between the two points.

The Company is authorized to connect the railroad with the Corning and Blossburg Railroad, at or near the village of Corning, and with the Williamsport and Elmira Railroad, at or near the village of Elmira; no bonds to be issued or assigned by the Comptroller until after the route is located between the Shawangunk summit and Deposit, and Deposit and Binghamton, according to the provisions of this act. (Chapter 325, Laws of New York, 1845.)

1846.

Petitions from Chenango and Delaware counties for an act compelling the Company to construct its railroad on the northern route, and against locating any part of the route in Pennsylvania; and from the Directors for an act to amend the Act of May 14, 1845, as regarded the locating of the route, were presented early in the session.

In the Assembly, March 16th, Mr. Titus, from the Committee on Railroads, reported in favor of such a bill. March 28th, it having been recommitted to the Committee on Railroads, Mr. Bush reported in favor of its passage. Mr. Blodgett, from the same committee, reported against the passage of any bill permitting the railroad to go into Pennsylvania and against ignoring Sullivan County. The bill was returned to the committee. March 31st, Mr. Titus re-reported it without amendment. The debates on and amendments to the bill in the Assembly were so lively and numerous that, April 9th, on motion of Alvah Worden, of Ontario County, it was referred to a select committee of eight, consisting of one member of Assembly from each Senate District.

The Speaker, William C. Crain, appointed from the First District Mr. Titus; from the Second, George T. Pierce; from the Third, Henry C. Haynor; from the Fourth, Sidney Lawrence; from the Fifth, Benjamin F. Cooper; from the Sixth, Andrew G. Chatfield; from the Seventh, Mr. Worden; from the Eighth, Mr. Blodgett.

April 10th, the committee reported the bill, with amendments, and it was agreed to. Benjamin Bailey, of Putnam County, offered an amendment that if the railroad was built out of the State, or connected with any other railroad, the Company should forfeit its charter.

Not agreed to.

April 22d, the bill reported by the Select Committee of the Assembly was rejected, less than two-thirds of the members voting for it.

All efforts to reconsider the vote failed. May 2d, Mr. Worden introduced the bill anew, and it was passed by a vote of 99 to 0.

May 4th, in the Senate, Mr. Hard introduced a bill entitled "An Act to amend an act in relation to the construction of the New York and Erie Railroad, and for other purposes"; passed May 14, 1845. Same day the Worden bill was received from the Assembly, and referred to the Committee on Railroads, which reported in favor of its passage, without amendment.

May 7th, the Senate passed the Hard bill by a vote of 23 to 4. May 8th, it was amended in the Assembly, and passed, May 9th, by a vote of 95 to 20. Same day, the Senate agreed to the Assembly amendments, and the bill passed by a vote of 23 to 1, Mr. Putnam, of the Eighth District, voting against it. May 13th, the Senate passed the Worden bill by a vote of 23 to 0.

*(Abstracts of the Bills.)*

May 11th.—Repealed the section of the Act of May 14, 1845, referring to the survey of the route by John B. Jervis, Orville W. Childs, and Horatio Allen, and appointed John B. Jervis, Orville W. Childs, Horatio Allen, civil engineers, and Frederick Whittlesey of Monroe County, Jared Wilson of Ontario County, William Dewey of Jefferson County, and Job Pierson of Rensselaer County, Commissioners to determine the route by surveys, and if they determine that there was no practicable route between the Shawangunk Ridge and Deposit, through the interior of Sullivan County, the Company had the privilege of leaving its contemplated route, or the completed road, at any point west of Goshen, in Orange County, and locate the road through Ulster County, on the east side of Shawangunk Mountains, pursuing the valley of the Wallkill, to near the village of Rondout; thence up the Rondout Creek, crossing to Esopus Creek; up that creek to the Barberbush Kill, in the town of Shandaken, Ulster County; up that creek and through Stony Clove to the Schoharie Kill, in the town of Hunter, Greene County; down the Schoharie Kill to the Bear Kill; up that kill to the town of Stamford, Delaware County; then across through the town of Harpersfield to the Charlotte River; then down the same and the Susquehanna River to the best point to cross at or near Binghamton, or any other route the said Company shall determine to follow through Ulster, Greene, Delaware, or Sullivan counties; or the Company is authorized to fix and locate the line, the Legislature reserving power, at its next annual meeting, to direct otherwise, between the Shawangunk Ridge and Deposit, along the valley of the Delaware River, and across the Delaware to the Pennsylvania side, but not to construct between those points more than thirty miles in length of their railroad on the Pennsylvania bank of the Delaware, the route to cross the Delaware, between Carpenter's Point, in Orange County, and the Glass House Rocks, in Pike County, Pa., and recross the Delaware into New York State, not less than three nor more than ten miles above the mouth of the Lackawaxen River, the road on the Pennsylvania side of the Delaware to be constructed as not to

contract the natural flow and expansion of the river at high floods, nor impede nor obstruct the Delaware and Hudson Canal Company in its plan for the erection of an aqueduct at or near the mouth of the Lackawaxen River, nor in any manner to disturb or injure the works or impede the business of this canal company in Pennsylvania or New York.

If the Commissioners found none of the routes practicable between Deposit and Binghamton, the Company was authorized to construct the railroad on any other route, or by the great bend of the Susquehanna River, and in or through Susquehanna County, Pa. The compensation of the Commissioners to be determined by the Secretary of State and the Comptroller. The report of the Commissioners on the result of their surveys to be made to the next Legislature, on or before January 15th. (Chapter 199, Laws of New York, 1846.)

*May 13th.*—Extended the time of obtaining the \$3,000,000 subscription to the stock from one year to two years and six months, and the time when foreclosure proceedings might begin, from one year to two years and six months. (Chapter 318, Laws of New York, 1846.)

## 1847.

A large part of the time of the Legislature was taken up at this session by the petitions for the change of route and remonstrances against it.

January 14th, John B. Jervis, Horatio Allen, J. Wilson, and William Dewey, of a majority of the Board of Commissioners, reported voluminously in favor of the Pennsylvania and Delaware Valley route, and the change between Deposit and Binghamton. F. Whittlesey, Orville W. Childs, and Job Pierson, of the minority, by request of the Assembly, reported their reasons for not agreeing with the majority in ordering the change of route.

March 8th, William B. Wright, of Sullivan County, introduced a bill providing for the construction of the railroad entirely within the State. March 30th, Mr. Leavens, from a majority of the Committee on Railroads, reported against the bill. Mr. Wright, from the minority, reported in favor of it.

April 8th, a bill entitled "An Act in relation to the location and construction of the New York and Erie Railroad" was introduced. This was a bill prohibiting the change of route. It did not pass.

The Legislature adjourned May 13th until September 8, 1847.

October 8th, Mr. Hard introduced a bill to amend the act passed May 11, 1846, in relation to the New York and Erie Railroad. It was passed October 12th, by a vote of 19 to 1, Harvey R. Morris, of the Second District, voting against it.

October 18th, the bill passed the Assembly (there is no record in the Journal of the vote). The act amended the Act of May 14, 1845, and authorized the Company, to enable it to avoid the obstacles on the Pennsylvania side of the Delaware River, at the point known as the Glass Factory Rocks ("Administration of Benjamin Loder," pages 90, 91), to cross the river above the Glass House Rocks, and below Bolton Basin, provided the Company obtain the consent in writing of the Delaware and Hudson Canal Company to such proposed change, nothing in the act to impair any right or privilege the Company had by existing laws to extend its rail-

road across the Delaware and connect with any railroad in Pennsylvania at or near or opposite Carpenter's Point or Port Jervis, or any other privilege connected therewith, already granted. (Chapter 316, Laws of New York, 1847.)

## 1848.

This was the first year since 1832 that the Legislature of New York was not occupied in special matters of some kind relating to the New York and Erie Railroad. This year, however, an act was passed (March 26th) authorizing the formation of railway corporations. This was the original "General Railroad Law," but was passed largely through the influence of the New York and Erie Railroad Company, as it relieved the future of its road from many of the restrictions of the charter which time had shown to be against its general interests. (Chapter 140, Laws of New York, 1848.)

## 1849.

This year there was absolutely nothing in the Legislature that in any way affected the affairs of the Erie, even in a general way.

## 1850.

The changes made in 1849 in the survey of the route through the western counties of Allegany, Cattaraugus, and Chautauqua affected the interests of many residents in those counties, and at the session of the Legislature for 1850 petitions poured in from them for the passage of a law compelling the Company to construct its road on the route surveyed in 1845. Petitions for removing all obstacles against the free transit of freight and passengers from the New York and Erie Railroad Company through New Jersey were also numerous from all the counties along the line, except Rockland. This was the beginning of the movement to run trains to Jersey City as the terminus, instead of Piermont. The petitions were voted on adversely.

February 20th, the Senate passed a bill in response to the petitions of the people of the western counties, compelling the Company to build its railroad on the survey of 1845, and sent it to the Assembly for concurrence. February 27th, the Assembly Railroad Committee, to which it was referred, reported against the bill, and the report was sustained.

February 31st, Assemblyman Allison offered a resolution that a select committee be appointed to inquire into the amount of money the Company had expended in the construction of its railroad; the amount expended for all purposes on the line abandoned east of Binghamton and the part proposed to be abandoned west of Olean; the amount expended in acquiring the right to run its road through a part of Pennsylvania, and to whom it was paid; and the several amounts paid to procure or prevent the passage of laws by the Legislature of this State, and to whom; the committee to

have power to send for persons and papers. The resolution was laid on the table, and on February 28th, James Little, of Onondaga County, offered a resolution providing that if the committee was appointed, it should be instructed to inquire whether the Company had complied with the requisition of the Act of May 14, 1845; whether the bonds issued to the Company by the State were not sold below par, in violation of that act; whether the Company had not mortgaged its road and the proceeds thereof, and if so, to whom, for what amount, and by what authority; whether money obtained by the Company for the construction of the road had not been applied to the payment of interest; whether the bonds of the Company had not been hypothecated by it for money borrowed, and if so, to whom and what amount of bonds; and if sold by the persons to whom they were hypothecated, at what rate each bond was sold; whether, in the judgment of the committee the State ought not to resume the lien conditionally released by the Act of May 14, 1845. The resolution was laid upon the table.

February 21st, Senator Johnson introduced a bill imposing tolls upon freight transported on the New York and Erie Railroad. It was referred to the Finance Committee, which reported that it was inexpedient to pass such a bill at that time.

These and similar harassing measures were to prevent the passage of a bill which the New York and Erie Railroad Company was the sponsor for, and was using all its endeavors to carry through the Legislature. This was finally accomplished on April 20th, in spite of the filibustering tactics of its opponents. This act is what is known as the General Railroad Law. It repealed the Act of March 27, 1848. It still further widened the scope of the Erie plans. Sec. 51 provided that nothing in the act should authorize or permit the New York and Erie Railroad Company to abandon the use of its road in the county of Rockland, east of Suffern depot. (Chapter 140, Laws of New York, 1850.)

1851.

In the Assembly the matter of the petition of citizens of Rockland County, to prevent the Company from diverting traffic by way of the New Jersey railroads, and the remonstrances from New York City and all along the line against the passage of such a bill, were referred to the Committee on Railroads, March 12th. The committee were: Joseph B. Varnum, Jr., of New York; John Horton, of St. Lawrence County; George Lesley, of Rensselaer County, and Wolcott J. Humphrey, of Wyoming County. The committee reported April 1st, sustaining the remonstrances, and reported a bill simply providing against the running of freight trains over any railroads in the State of New Jersey, leaving the Company at liberty to transfer goods from its own to other trains if the consignees desired it. The committee learned nothing to justify the impression that the Company had in any way violated its charter. The prayer of the petitioners was not granted.

1852.

In the Senate, February 6, 1852, on petition of citizens of Rockland County, whether the Company had exceeded its powers in certain bonds, on motion of Abraham B. Conger, of the Seventh District, the President appointed a select committee to inquire into the matter. The committee were: Mr. Conger; Azor Taber, of the Eleventh District, and Ashley Davenport, of the Twenty-first District.

Another petition from Rockland County for a committee to inquire whether the Company had not exceeded its corporate powers, was presented. It was referred to a special committee. March 1st, the matters were taken from the committee and referred to the Committee on Railroads, and they were not heard of again during the session.

Efforts were made by the enemies of the Company in the Assembly to pass an act compelling it to pay tolls to the State on its traffic, without success.

#### IN THE PENNSYLVANIA LEGISLATURE.

1841.

As early as 1841 the people of northeastern Pennsylvania foresaw the importance of the railroad to them, and anticipated the change in the route from the roundabout course of the Wright survey, from the Delaware Valley to the Susquehanna Valley, to one more direct and feasible, and secured the passage of an act (February 18, 1841) by the Pennsylvania Legislature, authorizing the New York and Erie Railroad Company "to construct said road through a portion of Susquehanna County, in the State of Pennsylvania, because it had been represented that in the county of Broome the Company could not build its railroad further, except by tunnelling the mountain west of Deposit, or using stationary power." (No. 17, Pamphlet Laws of Pennsylvania, 1841.)

1846.

The question of right of entry into Pennsylvania by the railroad was the one that seriously confronted the Company at this period of the work, and great opposition to it was made by the Delaware and Hudson Canal Company and others in Pennsylvania. The Legislature of that State, however, at last passed an act (March 26, 1846), amending the Act of February 18, 1841, so that the Company was authorized to extend the line of its railroad from a point near the village of Port Jervis, across the Delaware, into the county of Pike, and thence up the valley near the shore of the river, a distance not to exceed thirty miles, to a point not exceeding ten miles above the mouth of the Lackawaxen River, provided that the road cross the river into Sullivan County not less than three nor more than ten miles above the mouth of the Lackawaxen River, and constructed so as not to obstruct the Delaware and Hudson Canal Company in the building of its aqueduct across the Delaware at Lackawaxen, or injure

the rafting channel of the river, or impede the business of the Delaware and Hudson Canal, the railroad to cross the river at some point between Carpenter's Point and the Glass House, and permit a connection at or near Carpenter's Point, in Pike County, with any railroad now chartered or hereafter to be chartered by Pennsylvania; the Company to keep at least one manager, toll-gatherer or other officer, a resident of Pike County, and one in Susquehanna County. This act was not to take effect until the New York Legislature should authorize the Company, and the Company should consent, to make a connection with the Blossburg and Corning Railroad, at or near Corning, and with the Williamsport and Elmira Railroad at or near the village of Elmira. Among the conditions of the act was one compelling the Company to regulate its tolls so that the charge on anthracite and bituminous coal should not exceed one and one-half cents per ton per mile; the Company to pay the State, after the completion of the road to Lake Erie, \$10,000 a year, any failure to do so to forfeit all the rights granted in the act; the Company to make a sworn statement to the Auditor-General of the cost of the work in the State, and to pay a tax on its stock to an equal amount of such cost, at the rate similar property was taxed; the Company to make a sworn statement to the Legislature, in January of each year, of its business for the previous year; a *scire facias* to issue from the Supreme Court of Pennsylvania and be served on the President or any officer or agent of the Company, on complaint that any of the provisions of this act had been violated, and show cause, the act to be null and void if such were the case. (No. 17, Pamphlet Laws of Pennsylvania, 1846.)

1848.

The interests of the Company were all centred in the Pennsylvania Legislature of 1848, and its future depended on the action of that body in the matter of a necessary change of the point of entry of the railroad into that State. ("Administration of Benjamin Loder," pages 88-90.) Favorable action was taken, and an act was passed amending the Acts of 1846 and 1841; giving the Company authority to change the place of crossing the Delaware into Pike County from "some point between Carpenter's Point and the Glass House" to "some point between Carpenter's Point and Bolton Basin," provided that the Company should erect, by the first day of October, 1852, a permanent and substantial bridge across the Delaware, between Sim's Clip and the rope ferry at Matamoras, with a double track, one for a railroad, the bridge to be kept in good order and repair by the Company "forever thereafter," the Company to receive the same rate of tolls as was charged at the Delaware Bridge at Easton, Pa.; the Company to connect any railroad that might be constructed to the abutment of the bridge with its railroad by a branch railroad on one of the tracks of the bridge to the main line, at or near the depot at Port Jervis; no tolls to be exacted for railroad passengers or freight passing over the bridge; the Company to begin

the construction of the bridge and branch railroad with all proper speed, if a railroad was built to the Delaware River at the bridge before January 1, 1852; the Company to pay all immediate and consequent damages to the proprietor of the rope ferry at Matamoras in consequence of construction of the bridge, the last item not to exceed \$3,000; the penalty of refusal or neglect to comply with the provisions of this act to be the assessment by the State of Pennsylvania on the Company and the collection of a tax of one dollar for each passenger carried on the railroad in Pennsylvania, until a sum sufficient to construct the bridge and pay all damages to private property; a refusal to pay the tax to be followed by the Canal Commissioners of Pennsylvania appointing a collector and adopting measures to enforce the payment; non-compliance with any of the provisions of the act to be followed by the repeal of the Act of 1841, and all the supplements thereto, nothing in the act to be construed as exonerating the Company from the payment of the \$10,000 annual bonus to the State. (No. 262, Pamphlet Laws of Pennsylvania, 1848.)

With the passage of the General Railroad Law by the New York Legislature, and the action of the Company under it, the Erie won its way from the Ocean to the Lakes, after a persistent fight of twenty years.

These two extracts from letters of Benjamin Loder, who was President of Erie at the time, are significant:

ALBANY, 8 March, 1850.

DELAWARE HOUSE.

I find from the number and variety of subjects requiring attention here, that I cannot possibly get through with them this week. . . . Our road is so large and its interests so extended and complicated that it requires some one on the watch, to guard it against secret and open enemies, or, if nothing else, against injudicious legislation.

ALBANY, 5 April, 1850.

I have been here two days, anxiously watching and managing in behalf of our favorite bill, which I thought, when I returned to the city last week, could not fail of being passed without much trouble. All assured me then that it would pass almost without opposition, and I expected every day to hear of its passage. But I found it in the same condition when I returned as when I left. Immediately on my arrival here I commenced my labors, and succeeded in getting it reported to the Senate, and referred to a select committee to report complete. In the afternoon it was unanimously reported by the committee and laid over until to-day, when it was called up and very unexpectedly and seriously opposed—and finally amended and passed by a small majority, but the amendment rendered it necessary to send it back to the House for concurrence. . . . I have just returned from the Capitol, and am glad to say that the amendment was concurred in by a handsome majority. We have thus succeeded in carrying every bill we wished passed, and defeating every bill we wanted to defeat.

The bills referred to were the General Railroad Law, by means of which the Company was to be enabled to extricate itself from the narrow provisions of the charter, then nearly twenty years old, and bills calculated to prevent the Company from taking advantage of that law, even if it should pass.

## THE BUILDING OF IT.

AS IT PROGRESSED, STEP BY STEP, FROM 1832 TO 1851.

**Early Talk About the Best Way to Build It—Philip Church Would Build It Above the Ground, on the Strickland Plan of 1825—Later Ideas All Queer—Work Begun in 1835—Suspended in 1837—The Resumption of 1838-40, and the First Contractor—Driving the First Spike at Piermont—Manipulating the Stock to Raise Money—How Contractors Enforced Settlements—How the First Rails Were Bought in England—Opening of the First Section of Railroad in 1841—Bankruptcy—Work Resumed in 1846—The Shin Hollow War—Pioneer Trains and Incidents—Tragedy and Comedy—Getting the First Train Through the Delaware Valley and to Binghamton—The Cascade Bridge and Starucca Viaduct—How They Were Built—On to the Alleghany—Bloody and Fatal Riots—Driving the Last Spike—To Lake Erie at Last—The Newburgh Branch—Additions That Came Later.**

### CRUDE AND HALTING PRELIMINARIES.

IN the days when the agitation of the project for a railroad from the Hudson River to Lake Erie began, railroad building was but a budding science in this country, and the ideas that prevailed as to the best means of constructing such thoroughfares were extremely crude. In 1830, two years before the Erie was chartered, Robert L. Stevens had designed the T rail, the first specimen of which was rolled in 1831—the rail that is now in universal use the world over—but still knowledge of railroad construction came to our engineers slowly. J. Elfreth Watkins, in his monograph on "The Development of the American Rail and Track," published by the National Museum in its report for 1888-89, says: "The British railway projectors had the advantage of being able to call into their service a trained force of civil engineers, men on whose judgment the wealthy capitalist was willing to supply the money for the proposed improvement. Many of the civil engineers who were first called into the service of the American railroads were connected with the Army Engineer Corps, having obtained their training at West Point, the only institution in the United States where engineering was taught during the first quarter of the century. In some cases, however, these surveys were made by canal or road engineers, who had obtained experience in canal and turnpike construction." Of the latter class were the surveyors for the original route of the New York and Erie Railroad in 1834.

As early as the summer of 1832 differences had come between the friends of the Erie project in the western part of New York State and those in the eastern part, over the efforts of the latter to have the survey for the route made by the Government. Philip Church united the western incorporators of the company (as he termed those of the western New York counties who were mentioned in the charter) into opposition to that plan, but the Government survey was defeated by other causes. (Chapter III., pages 16 to 18.) The western incorporators, failing to induce the Company to make its own survey, united in pressing the importance of the project upon the attention of the New York Legislature, with the purpose of

having the State itself survey the route for the proposed railroad. One of the chief objections those unfavorable to the railroad offered to its further recognition by the State was that the climate of the region through which much of it was to pass was such that in winter the deep snow would at times entirely put a stop to the use of the railroad, and the ice forming on the rails in the late fall, the winter, and the early spring months, would frequently preclude the use of the locomotive, while the severe frosts would weaken the foundations.

How little had ideas of the practical science of railroad construction taken possession of the projectors of the Erie as late as 1834 is shown by the plan then put forward as the one on which this railroad was to be built, as stated in the argument of the western incorporators before the New York Assembly Committee on Railroads, in meeting the objections of the opponents of the railroad. "Very smooth ice," it said, "forming on the rails prevents the adhesion of the locomotive engine. Those who have been eye-witnesses say that this is obviated on the Liverpool and Manchester Railroad by placing one of the cars before the locomotive. The wheels of the car easily break and displace the ice. It is understood, snow is removed from the Baltimore and Ohio Railroad by a machine preceding the locomotive, supposed to be in the shape of a double-moulded plough, and is perhaps what is called the Swedish snow plough. The use of a snow plough extending across the whole width of a railroad, on rails within a few inches of the ground, would produce in our deep snows very considerable retardation. It is proposed to build our rails a considerable height from the earth, which, in our great command of wood, can be easily accomplished, in some such mode as the following:

	Ft.	In.
The top of the cone will be higher than the ground .....	0	6
On each cone place a block of wood 12 inches square and 14 inches in height.....	1	2
Tying the bottom of the blocks together by transverse beams, and the tops of the blocks together by longitudinal beams, on these place rails, say 5 inches by 12.....	1	0
Top of rails higher than the ground.....	2	8

"Snow very seldom lies to the depth of two feet eight inches. A small snow plough would readily clear the rails of snow. The accumulation of snow in the space between the rails would be of no importance where horse-power was not made use of. It might be difficult to fasten rails of the depth of 12 inches so firmly in chairs as to prevent leverage. In that event they may be rendered firm by transverse beams, connecting the opposite and parallel rails, midway between the cones."

This plan, on which it appears Philip Church, himself an engineer and a man of scientific attainments, proposed that the original Erie should be built, was based on the report of William Strickland, who had been sent abroad in 1825 by the Pennsylvania Society for the Promotion of Internal Improvements, to study the subject of English railroads. Although his report was made in 1826, before a foot of railroad had been put down in America, the Erie projectors, eight years later, had heard of no better or newer plans of railroad building. "Where blocks of stone can be easily and cheaply obtained of various lengths on the line of the road" (thus the Strickland report), "they ought to be used in the following manner, viz.: Dig out shallow holes about a foot or eighteen inches in depth, at four feet apart from centre to centre, and fill them in with small broken stone or gravel, flush with the surface of the road, upon which the foundation props may be laid and bedded securely from the action of the frost. Where stone is not to be had, or but at expensive rate, I would recommend the use of scantling pieces of oak or locust, six inches by eight inches, cut of various lengths, not less than two feet, which may be sawed out of one another lengthwise in the shape of a long wedge. These should be driven into the bottom of a square or round pit, dug out about two feet in width, and from two to three feet in depth, and the pit afterwards filled up with broken stone, rammed in on all sides. The effect of the stone will be to keep the post or prop firm in its place, and to prevent its rising up by action of the frost, which can have no power to move it laterally. When the posts have been secured in this manner, the heads of them throughout any section of the line may be sawed off to the proper level. The iron chairs or standards must in this case be cast with a flange on the bottom, of three inches in depth, and a corresponding mortise cut into the head of the post to receive the flange of the chair, which may be pinned through in the usual manner of mortise and tenon."

In the severe climate of the region through which the proposed Southern Tier railroad was to pass, the foundation stones of the railroad, it was agreed, should be made in the form of an upright quadrilateral cone, about twenty-four inches square at bottom, eight inches at top, and thirty inches high.

The New York Legislature authorized the making of the survey for the route at the expense of the State, and the work was completed in the fall of 1834. (Chapter IV., pages 24 to 31.) The survey gave a choice of three east-

ern termini for the route: Tappan, Nyack, and Slaughter's Landing, "opposite Sing Sing," all on the Hudson River. In putting forward the possibilities of Slaughter's Landing as the terminus of the Erie at the Hudson, Engineer Seymour reported that the point was "about seven and a half miles above Tappan Landing (Piermont), and ascends the ridge between the Hudson and the Hackensack rivers, through a gap near Rockland Pond, which discharges into the Hackensack River. In passing the ridge, a stationary power will be required on the east side between the Hudson and the summit. The length of the plane proposed is 1,200 feet, the vertical height 190 feet, requiring a stationary steam engine of sixty horse-power. It may be well here to remark that the waters of Rockland Pond may be turned into the Hudson River by means of a tunnel between eighty and ninety feet below the summit, and the water used to operate upon the machinery for the inclined plane, instead of the stationary steam engine, and still afford a valuable water power for other purposes."

*(From Engineer Ellett's Report of His Survey, 1834.)*

The railroad to Ithaca, which is already open to the public, and designed to effect a communication between the Susquehanna and Cayuga Lake, and the great country traversed by the Erie Canal, cannot but be regarded as a valuable accession to the resources of Owego, even supposing the improvement to terminate here. But this will not be permitted. A company is already formed and the construction of a steamboat commenced, which is intended to ply between this village and the termination of the Pennsylvania Canal, at the mouth of the Lackawanna; which, it is believed, will be able to bear the salt and plaster of the North to a Southern market, and return with the anthracite coal of that region, thus creating an important source of revenue to the railroad, and supplying, reciprocally, wide districts of country with the mineral wealth which nature has denied them. And, from my personal knowledge of the character of the Susquehanna, I have little doubt of the successful result of the experiment.

"The railroad to Ithaca" was the Ithaca and Owego Railroad, the second railroad chartered in the State of New York. It extended from Ithaca to Owego, twenty-nine miles, and the motive power was horses and inclined planes. The steamboat that was to "bear the salt and plaster of the North to a Southern market, and return with the anthracite coal of that region, thus creating an important source of revenue to the railroad, and supplying, reciprocally, wide districts of country with the mineral wealth which nature has denied them," must have exhausted, before the boat could be finished, the capital of the company that had set out to build it, for it never called for "the salt and plaster of the North," and consequently never returned with the anthracite coal "of that region." The "salt and plaster of the North," at that time, were the yield of the Syracuse salt springs, and the bed of plaster at the foot of Cayuga Lake, long since exhausted. Plaster is no longer a local item of traffic, but the "salt of the North" now comes chiefly from the great wells of Livingston and Wyoming counties, N. Y., and it is transported largely by the Erie Railroad, as the principal wells are along the line of the Buffalo Division.

*(From Engineer Ellett's Report of His Survey, 1834.)*

The western end of this section (between Elmira and Painted Post) has also its local improvement, with which the interest of the citizens near the southern line of this State and the northern counties of Pennsylvania is closely connected. The route of the proposed railroad from the iron and bituminous coal district, near the headwaters of Tioga River, was surveyed in 1832, and pronounced in the report of the engineers to be perfectly feasible. It cannot be doubted that the construction of the New York and Erie Railroad would accelerate the development of the mineral wealth of that region, and increase to a considerable extent the revenue of the Chemung Canal, through which the supply intended for the northern counties of the State would necessarily pass.

This "local improvement" is the present Fall Brook Railroad, and the prophecies made by Engineer Ellett as to the manner in which that railroad and the proposed Erie would develop the bituminous coal region of that part of Northern Pennsylvania long ago came true. Those early engineers were very solicitous for the interests of the canals in all that they did, and their surveys for railroads were made with the idea that if the railroads were in any way to interfere with the canals, the railroads should seek some other route. The Chenango Canal, the Chemung Canal, the proposed Genesee Canal, were all taken into tender consideration when the original surveys for the New York and Erie Railroad were made, and the Company was admonished by its engineers not to take any steps that might result in the drawing of business away from those canals. Where is the Chenango Canal now? A railroad occupies it. Where is the Chemung Canal? A railroad runs where it once was. Where is the Genesee Canal? A railroad occupies the greater part of its bed. Where is the Delaware and Hudson Canal, even, which the original engineers particularly commended to the careful consideration of the Railroad Company, and which drove the Erie out of New York State into Pennsylvania, and then tried to prevent the railroad from going through that State? It is abandoned (1898), and a railroad will eventually follow its bed or tow-path, and the company that constructed the canal has made arrangements to have its coal transported to market over the very railroad whose building it so strenuously contested.

*(From Engineer Ellett's Report of His Survey, 1834.)*

The country north of this part (Olean) of the Alleghany River is of rather superior cast, and the numerous valleys formed towards the heads of the streams flowing into it are generally in a good state of cultivation. The district immediately south of it, between the Alleghany and the State line, is yet a wilderness. The mills on the river and its tributaries cut many millions of feet of lumber annually, which is rafted down the Alleghany, and supplies the market of Pittsburg and the country on the borders of the Ohio and Mississippi. Bituminous coal is said to be found about forty miles from Olean Point, towards the head of the Alleghany River. I know not whether the district containing it has ever been surveyed for the purpose of ascertaining the quantity or quality of the mineral, or the facilities the country affords for the construction of a road from the mines into the State of New York. It is probable that this has never been done, for though it is the prevailing opinion in the adjacent counties that the supply is inexhaustible, the present situation of the country through

which it must pass before it could be delivered in the populous districts on the Erie Canal, is such as to preclude the hope that the adventure would be profitable, until more effectual means can be commanded for its transportation.

The reported existence of bituminous coal was well founded, and the Bradford Division of the Erie now penetrates the district, which is largely owned by corporations, that, although collateral, are really part of the Erie body.

The Wright survey of 1834 established that the construction of a railroad through the Southern Tier and western counties was feasible, but the State did not think well enough of the project to take hold and complete it as a public work, as was urged upon it, and the New York and Erie Railroad Company at last began the task itself, Eleazar Lord, the first President of the Company, having been succeeded in 1835 by James Gore King. ("Administration of James Gore King," page 32.)

#### FIRST CONTRACTS, AND BREAKING GROUND FOR THE WORK.

For reasons which are given in detail in the "General History" (page 36), the Company decided to begin work on the construction of the railroad in the Delaware Valley, and advertised as follows :

#### NEW YORK AND ERIE RAILROAD.

TO CONTRACTORS: Proposals will be received at the office of this Company, No. 12 Wall Street, in the city of New York, until the 5th of November next, for the grading of forty miles of the railroad, along the Delaware River, and extending from the mouth of Callicoon Creek (about sixty miles west of Newburgh) to the village of Deposit, in the county of Delaware. This portion of the work is now staked out in convenient sections, generally averaging one mile in length. Plans and profiles of the line, and printed forms of the contracts (in which stipulations will be inserted prohibiting the use of ardent spirits) will be ready for exhibition on and after the 20th of September instant, at the office of the Division Engineer of the Eastern Division of the New York and Erie Railroad, in the village of Deposit. The Company reserves the privilege of accepting only such proposals as they may deem for their advantage.

JAMES G. KING, *President.*

NEW YORK, Sept. 8, 1835.

The work was let in forty-four sub-divisions to twenty-six different contractors, among them the father of Charles Mygatt, the veteran Erie engineer. The total amount of contracts was \$313,572, or \$7,742 per mile. Ground was broken at Deposit at sunrise, November 7, 1835. ("Administration of James Gore King," page 36.) Actual work on the contracts began November 15th. The prospects seemed to be such in April, 1836, that President King felt warranted in extending the work, and advertised thus :

#### NEW YORK AND ERIE RAILROAD.

TO CONTRACTORS: Proposals will be received at the Engineer's office of the New York and Erie Railroad Company, in the village of

Binghamton, on and until the 30th day of June next, for grading 69 miles of the railroad from the village of Owego, in Tioga County, to the village of Deposit, in Delaware County.

Proposals will also be received at the Engineer's office, in Monticello, on and until the 11th day of July next, for grading 48 miles of the railroad through the county of Sullivan, extending from the Delaware and Hudson Canal up the valley of the Neversink, and thence to the mouth of the Callicoon Creek, on the Delaware River.

Plans and profiles of the line above mentioned, staked out in convenient sections, will be ready for exhibition at the said offices twenty days before the days of letting above specified.

The Company reserve the privilege of accepting only such proposals as they deem for their advantage.

JAMES G. KING, *President*.

NEW YORK, 26th April, 1836.

A month later, however, the following official announcement of the Company's intentions was made :

#### NOTICE OF THE NEW YORK AND ERIE RAILROAD COMPANY.

The Company hereby withdraw their advertisement of 26th April, in consequence of their inability to prepare in time the portion of the line proposed to be let on the 30th June at Binghamton, and on the 11th of July at Monticello. Future notice shall be given when proposals will be received at the above places for the same portions of the road.

JAMES G. KING, *President*.

May 28, 1836.

"Future notice" to such an effect was never made. Work was pushed as rapidly as possible in the Delaware Valley, and renewed efforts were made in the Southern Tier and western counties of New York State to obtain such encouragement as would insure the beginning of active operations there. The engineer department was reorganized in the spring of 1836 by the appointment of E. F. Johnson and Capt. Andrew Talcott, and a new survey of the route was ordered. Johnson had charge of the division between the Hudson River and Painted Post, in Steuben County, and Talcott the rest of the route from that point to Lake Erie. Benjamin Wright was continued as consulting engineer. Johnson, in his examination of the route through Sullivan County, between the Shawangunk Ridge and the Delaware River at Callicoon, discovered its difficulties as to grades and other obstacles, as compared with a route through the Delaware Valley. He also disagreed with the original engineer as to the route between Deposit and the Susquehanna Valley, and recommended one by the way of "the great bend of the Susquehanna." But he advised the Company to enlarge its gauge, which was then six feet! He reported in favor of Tappan (Piermont) as the eastern terminus of the railroad. Captain Talcott examined the harbors of Lake Erie, and chose Dunkirk as the point of terminus for the western end of the railroad. Communication with the West by water was the end they were seeking in those pioneer early days. The future possibilities of railroads beyond the western terminus of the Erie did not seem to concern the engineers or the

Company's management. The location of the ends of the railroad at Tappan and Dunkirk involved the necessity of building a long pier into the river at Tappan and another into Lake Erie at Dunkirk. The importance of the terminus at Piermont was urged by the Company in its second annual report to the stockholders, September 9, 1836, because it "was but twenty-two miles from the foot of Twelfth Street, New York, where it was proposed to build a depot for merchandise for the interior, and for the supplies of provisions and other agricultural products to be brought to tidewater upon the road."

President King and a committee from the Board of Directors, accompanied by Chief Engineer Benjamin Wright, visited Tappan Slote October, 19, 1836, and located the pier and a portion of the line from the river westward. The original intention was to carry the pier out to a point where the water was six feet deep, but it was extended to a depth of nine feet at low tide "to accommodate the sloop trade in lime, coal, plaster, and lumber."

From the tenor of the report of 1836, no other inference could have been drawn than that the prospects of the Company at that time were particularly bright.

"The Dunkirk grant to the Company," said the report, "is 5,000 lots, one-quarter of the whole town plot." Other donations were "an equal one-quarter of the town plot on the Alleghany River, laid out at the point of embarkation for the early spring merchandise destined for the Ohio and Mississippi valleys, yielding the equivalent of 4,500 city lots, and an equal one-eighth of the tract of 400,000 acres in the counties of Cattaraugus and Allegany, recently purchased of the Holland Land Company. The pecuniary value of these donations is estimated to exceed \$2,000,000. Hinsdale, Painted Post, Owego, Binghamton, Deposit, and other towns, have made similar donations. That at Tappan is ninety acres under water, but can be easily filled in and profitably employed or disposed of."

"Confidence is not only undiminished, but vastly increased," said the report. "Difficulties are diminishing, pecuniary resources steadily increasing."

This was in September, 1836. Two months from that time work on several of the contracts in the Delaware Valley was discontinued because the Company had no money to pay for it. In March and April, 1837, all work was suspended and the contractors discharged. The engineers and surveyors all along the line were also discharged. The grading in the Delaware Valley had cost \$192,837.63. This had all been paid except \$13,000, which was subsequently settled. Work was not resumed in the Delaware Valley until 1847, and the grading done in 1836-7 was found to be uninjured.

In May, 1838, a new engineer corps was organized to make a final location of the route. Major Thompson S. Brown, of the United States Engineers, was appointed Chief Engineer of the Western Division; Edwin F. Johnson, of the Susquehanna Division; Celim L. Seymour was Resident Engineer of the Delaware Division, and Hezekiah C. Seymour Chief

Engineer of the Eastern Division. Silas Seymour was Major Brown's assistant. A. C. Morton, who had been Resident Engineer in charge of the surveys in Rockland and Orange counties in 1836, was appointed Resident Engineer, in chief charge of work in Orange County in September, 1838.

Major Thompson S. Brown entered West Point Academy as a cadet in 1821, and graduated in the military corps of engineers in 1825. For eleven years he was engaged on many important Government works, among them the fortifications at Mobile Point, Ala.; at Newport, R. I., where he was five years under Colonel Herr, subsequently Chief of the Engineer Corps, and in the coast surveys and survey for improvement on the Western rivers. He was detailed to inspect and report on the operations of the now historic old Cumberland road on the sections in Indiana and Illinois. He had the superintendence of the fortifications in Charleston Harbor, S. C., and the general superintendence of the United States harbor improvements on Lake Erie from Buffalo to Cleveland, inclusive. In 1836 he left the Government service and became employed on public works. In May, 1838, he was appointed Chief Engineer of the Western Division of the New York and Erie Railroad, and had that title until November 25, 1840, when he was made Associate Engineer in charge of the Western Division, and Commissioner of that division. In 1841 he was detailed to accompany Henry L. Pierson to Europe, to contract for the iron rails first used on the Erie between Piermont and Goshen. He was appointed Chief Engineer of the Erie in 1845, resigning in 1849 to go to Russia to take charge of the great railroad work there in course of construction by that government, succeeding Major Whistler, who had died there.

Silas Seymour was born at Springwater, Saratoga County, N. Y., June 20, 1817. He began his career in 1835 on the Delaware Division of the New York and Erie Railroad as rodman, and continued there until work was suspended in 1837. He was made Assistant Engineer in May, 1838, on the Western Division, and was Resident Engineer from June 1, 1840, to June, 1841. He had charge of the surveys from Dunkirk to Cuba Summit, ninety-six miles, and from Dunkirk to Cold Spring Summit, forty miles. He had entire charge when Chief Engineer Brown was in Europe with Henry L. Pierson, contracting for Erie's first railroad iron. He located the line for the ten miles east from Dunkirk. In July, 1841, he was appointed Superintendent of Construction on the western end of the railroad. He was Chief Engineer of Construction from 1846 until 1851, when he resigned, having been appointed Chief Engineer of the Buffalo and New York City Railroad, extending from Hornellsville to Buffalo, after the completion of which he became its General Superintendent. Mr. Seymour laid the last rail upon the Western Division of the New York and Erie Railroad at Cuba, on the 17th of April, 1851, and assisted at the great celebration of the opening of the road for business, on the 15th of May following. He designed and constructed the famous Portage Bridge across the Genesee River, a structure 234 feet high and 800 feet in

length. Soon afterward he became a contractor, and aided in the construction and equipment of the Ohio and Mississippi, the Louisville and Nashville, the Maysville and Lexington, the Scioto and Hocking Valley, the New York and Boston Air Line, the Ontario, Simcoe and Huron of Canada, the Western North Carolina, and Sacramento Valley railroads. In 1855 he was elected State Engineer and Surveyor-General of New York, which responsible office he held during 1856-7. In 1862 he was appointed Chief Engineer of the Washington and Alexandria Railroad, with a view to construct a railroad bridge across the Potomac, which important work was successfully completed in 1864. In 1863 the Secretary of the Interior designated him as Consulting Engineer, and afterward Chief Engineer of the Washington Aqueduct. In 1864 he was appointed Consulting Engineer of the Union Pacific Road, and remained in that service until the completion of that great work. The last rail was laid on the 10th day of May, 1869, with Mr. Seymour present as one of the principal participants in the ceremonies, thus having been identified with the construction of both the initial (the Erie) and terminal links of the great chain of railways, more than three thousand miles in length, which had at last come to span the American continent from ocean to ocean. After the completion of the Union Pacific Railroad Mr. Seymour became Consulting Engineer of the Adirondack Company's Railroad, and of the North Shore Railway of Canada, extending from Montreal to Quebec. The latter part of his life was passed in pleasant retirement at Dansville, N. Y., where he died in 1896.

Hezekiah C. Seymour was born in Oneida County, N. Y., and was a warm personal friend of Eleazar Lord. He was one of the early prominent civil engineers of this country. His ideas dominated the policy of the Erie in the construction of the railroad up to the time it was opened to Goshen in 1841, and later. He was the first Superintendent of the Erie, and was also its Engineer until 1845, when Major Thompson S. Brown was appointed to the place. Mr. Seymour was Superintendent until 1849, in which year he was elected State Engineer and Surveyor of New York State. At the expiration of his term of office in 1852, he was appointed Chief Engineer of the Ontario, Huron and Lake Simcoe Railroad, from Toronto to Lake Huron. He left that place in the spring of 1852 to take an interest in the contracts for building the Ohio and Mississippi, the Louisville and Nashville, the Maysville and Lexington, and other railroads in the West. These contracts were the most stupendous in amount ever taken for the construction of railroads in this country by one firm, the aggregate being more than \$35,000,000. Mr. Seymour did not live to see the completion of the great work, he having died July 24, 1853, at Piermont, N. Y. While Superintendent of the Erie he was known among the employees as "The Oneida Chief," and by railroad men at large he was called "The Father of the Erie Broad-Gauge." He left a widow, one son, and five daughters. The son, Augustus S. Seymour, became United States District Judge in North Carolina.

Alvin C. Morton began as an Engineer in 1827, on the Lehigh Canal as Assistant Engineer. He was subsequently on the Delaware Division of the Pennsylvania Canal, then on the Raritan Canal. From 1832 to 1835 he was in charge of the Harrisburg and Lancaster Railroad. From there he went to the Sunbury and Erie Railroad Company. He was employed by New York State to make the surveys of the branches of the Hudson River, which he completed a short time before going with the New York and Erie Railroad Company. He left the Erie service about 1844, and in 1845 he was made Chief Engineer of the Atlantic and St. Lawrence and the St. Lawrence and Atlantic railways, afterward the Grand Trunk Railway of Canada. He subsequently joined the firm of Morton, Seymour & Co., railroad contractors, and also the firm of Robinson, Seymour & Co., who constructed the Sacramento Valley Railroad, the first railroad built in California. He was one of the early men in the construction of the Atlantic and Great Western Railroad, now part of the Erie system as the Nypano. At the time of his death he was President of the International Coal and Railway Company, of Nova Scotia, with headquarters in New York. Some of the most prominent engineers in the country were pupils of Mr. Morton. He died February 25, 1871, aged sixty-six years.

Celim L. Seymour had been in the work of surveying the Delaware and Hudson Canal, Mount Carbon Railroad, Pennsylvania Canal, Great Western Mail Route from Vincennes, Ind., to St. Louis, in 1835, 1836, 1837. As Resident Engineer of the Delaware Division, he was in favor of the interior route through Sullivan County, and denounced, for years, the taking of the railroad to the Delaware Valley.

The members of the Eastern Division engineer corps of 1838, under H. C. Seymour, were: Alexander Main, John R. Garland, David P. De Witt, Thomas Addis Emmet, Newbold Edgar, Augustus S. Whiton, Norman Seymour, and Peter Bogart. Some of them became distinguished engineers, notably Thomas Addis Emmet. Alexander Main was the Erie's first cashier and auditor. A. S. Whiton became superintendent of the Eastern Division.

At a meeting of the Board of Directors, July 15, 1838, authority was given to publish the following:

#### NOTICE TO CONTRACTORS.

Sealed proposals will be received by the subscriber until Wednesday, 15th of August next, at 9 o'clock P.M., at the office of the Company, at Tappan Sote, Rockland County, New York, for the grading, bridging, and masonry of ten miles at the eastern termination of the New York and Erie Railroad. The maps and profiles, together with the specifications and plans of the materials, and the manner of construction, will be ready for examination at any time after the 20th of August next, at the office at Tappan, where all requisite information relative to the work will be given, and blank proposals furnished. Some of the sections will be heavy, and will require a considerable quantity of rock excavation.

Security will be required for the performance of contracts. Persons who are unknown to the subscriber, or to the Engineer, will be expected to furnish satisfactory testimonials. No transfer of contracts

will be recognized. Individuals proposing for more work than they wish to contract for must specify the quantity they wish to take.

The undersigned reserves the right of rejecting all propositions which appear incompatible with the interests of the Company.

For further particulars apply to H. C. Seymour, Civil Engineer, Tappan, Rockland County, N. Y.

SAMUEL P. LYMAN,  
*Commissioner of the New York and Erie  
Railroad Company.*

July 15, 1838.

A similar notice was published relating to the grading of ten miles from Dunkirk, eastward. The work on these two ten-mile sections had been made a first provision of the act granting the Company State aid in 1838. The contracts were let in August, 1838, and during the year seven miles of the grading at the western end of the route were completed, and five miles of the Piermont ten-mile section, including several arched culverts on the latter. Work on the pier was progressing. Contracts were also closed in August, 1838, for grading the road from the eastern end of the Piermont ten-mile section to Goshen, thirty-five miles, except two miles for piles, and a contract for grading one mile extending east from the village of South Middletown (Middletown), Orange County. Surveying operations were also progressing between Binghamton and the Genesee River, in Allegany County, and from the west end of Allegany County to the east end of the ten miles under contract in Chautauqua County.

The ten-mile section at the Piermont end of the route was located with no little ceremony, August 15, 1838. President King and members of the Board were present. The beginning of the line that was to stretch westward nearly 500 miles, the entire width of the greatest State in the Union, and unite the ocean with the lakes, was in a swampy marsh, which must have seemed to the distinguished men assembled on that historic occasion a most unpromising and discouraging starting point for so stupendous an undertaking, especially as its chief intent was to give New York City communication by rail with then secluded regions, that they might be settled and their resources developed. The men who had insisted on such a beginning, and succeeded in securing it, were the ones who had denounced the original plan of constructing the first section of the railroad in the Delaware Valley, three years before. It is a question which was the wiser start of the two. The Company had the privilege of beginning its railroad at New York until the Rockland County influence obtained the legislation compelling the locating and contracting for the ten miles at Piermont before anything else could be done. But for that unfortunate circumstance, and the one compelling the western terminus to be at Dunkirk, the railroad would have been in operation between the Hudson and Lake Erie years before it was, and with no lasting burden of mortgage debt upon it.

In the contracts for work made in 1838, the terms were that payments should be made from funds obtained by collections on the stock subscriptions in the counties or on the divisions of the railroad where the work was to be done, and from the avails of the State stock collectible on such sub-

scriptions. This facilitated the work by distributing it. The contracts made after 1838 contained the provision, originating with Eleazar Lord, that contractors invest a certain portion of the avails of their contracts in the stock of the Company, the investments to be made from time to time as they received payments from the Company. This was proposed by Mr. Lord, September 10, 1838, at a meeting of the Board. It was put into practical force on the Eastern Division in 1839, while Lord was President and Commissioner, and subsequently became the policy of the Company all along the line, and undoubtedly greatly advanced the work then on hand, but, as it subsequently appeared, by no means to the future benefit of the work or welfare of the Company.

The first contract for grading was taken August 15, 1838, by Doubleday & Ward for section No. 1. There were forty-eight contracts let from between that time and August 13, 1839, to thirty-eight contractors. These were for grading culverts and bridges. These early Erie contractors were as follows:

*Rockland County, N. Y., 1838.*—Doubleday & Ward, Thornton & Briggs, Levi Walden, Medler & Sutherland, Briggs & Thomas, B. Thornton, Wood & Horner, C. Midler, J. & C. Collins, Blair & Mills. 1839—Thomas Midler & Co., J. & C. Collins, Blair and Stickney, Jeremiah H. Pierson, Wilson & Phillips, Ward, Wilkes & Co.

*Orange County, 1839.*—Ward, Wilkes & Co., H. Jenkins & Co., Hudson Macfarland, John Coffey, T. Selleck (for piles), M. Brainard (driving piles), Nelson Phillips & Co., John Wood, Taylor & Crary, Carmichael & King, George Clark, Taylor & Stevenson, Mills, Riddle & Co., David Spencer & Co., John Seaman.

These contractors took from one-third to three-eighths of the amount of their contracts in the Company's stock. Twenty-three of the contracts were cancelled in the winter of 1839-40, the Company's finances preventing further prosecution of the work for the time.

#### A ROSY FORECAST.

To what a promising situation the railroad work had been brought by past operations, and what its prospects and intentions for the future were at this interesting period in the history of the Erie, is entertainingly told in the following extracts from a letter from Samuel P. Lyman, General Commissioner of the Company, to Assemblyman Scoles, at Albany, January 14, 1839:

The Company, in August, 1835, caused a thorough reëxamination of the difficult portions of the line to be made, under the direction of a Board of Engineers, composed of Moncure Robinson of Pennsylvania and Jonathan Knight of Maryland, consulting with Benjamin Wright, and the result of their labors induced the Directors to adopt a plan more permanent and expensive. The estimates made upon the plan as enlarged, on the united opinions of these engineers, were as follows:

Graduation, the expenses of the engineer department, and the contingent expenses of the Company...	\$3,117,518
Superstructure.....	1,857,000
Cost of vehicles and other necessary apparatus for the business of the road, in the first instance.....	500,000
	<u>\$5,474,518</u>
To which the Board of Directors, for more abundant caution, added, for contingencies.....	525,482
Total.....	<u>\$6,000,000</u>

The first work was the obtaining of right of way. Voluntary releases were obtained for more than three-quarters of the line. If the Company had had to pay for its right of way entire, at the rates charged other roads in neighboring States, the work would have never begun. The cost would have been \$1,000,000, at least. The liberality of the farmers and land-holders not only helped the Company, but showed the deep interest they had in the success of the work.

The next thing was the procuring of subscriptions to the balance of the stock. The financial embarrassments of the city and the apparent solvency of the country induced the Company to confine its efforts to the southern tier of counties. The balance needed was \$500,000. After the proposition to take the stock was made to each county, and the probable result estimated, the following distribution was made:

To Rockland County.....	\$20,000
Orange County.....	100,000
Sullivan County.....	20,000
Delaware County.....	40,000
Broome County.....	25,000
Tioga County.....	50,000
Chemung County.....	50,000
Steuben County.....	100,000
Allegany County.....	50,000
Cattaraugus County.....	25,000
Chautauqua County.....	20,000
Total.....	<u>\$500,000</u>

The distribution was made not so much with reference to the ability of each county to take and hold the stock, as to the amount previously taken, and the zeal manifested in promoting the work. Of this amount \$300,000 were subscribed. The whole of the grading can be completed in three years. While the grading is in progress, the Company will purchase timber for the superstructure, in order to have it seasoned and prepared for laying down as soon as the graduation is ready for it, and will contract for iron and cause it to be imported and distributed along the line for use the moment the road-bed is ready. The work is divided in five sections, so it will be finished simultaneously all along the line. Four years is all the time the Company requires to complete the work, if they have the money to carry out their plans. It can be done in three years, but there is no telling how long it will take if the Company does not get aid from the State.

Samuel P. Lyman was appointed General Commissioner of the Company April 27, 1838. During the session of the Legislature of 1839, Mr. Lyman was in Albany, having in charge the application of the Company for a modification of the law authorizing the loan of \$3,000,000 of State stock to the Company. While Mr. Lyman was there a controversy arose between him and President King, who was supported by some of the Directors, in which Mr. Lyman was charged with misrepresenting the views and wishes of the Company, and with disregarding his instructions. In consequence of this controversy, and having made to the Board of Directors a full report in justification of his motives and proceedings, he resigned.

President King was striving to have the State take charge of the work and finish it, but as the policy outlined by Lyman was supported by a strong following in the Board, led by Eleazar Lord, President King resigned from the management September 25, 1839, and his efforts in behalf of the railroad ceased. He had served without salary, and had sacrificed largely his own private interests in behalf of the work during the four years and more of his connection with the project. Eleazar Lord became President again.

#### THE WORK UNDER ELEAZAR LORD.

In May, 1839, Eleazar Lord had been appointed Commissioner of the Eastern Division of the road, and continued such until the middle of March, 1841, at a salary of \$2,400 per annum. From September 25, 1839, until after the expiration of his duties as Commissioner, Mr. Lord also held the office of President of the Company, at a salary of \$3,600 per year. For about eighteen months, therefore, Mr. Lord received pay at the rate of \$2,400 a year as Commissioner, and \$3,600 a year as President, an aggregate salary of \$6,000 per annum. Upon the retirement of Mr. Lord as Commissioner of the Eastern Division, the duties of the office were placed in charge of H. C. Seymour, Chief Engineer of the division. A. C. Morton, the Chief Engineer of the Delaware Division, performed the duties of Commissioner of that division.

October 14, 1839, President Lord took ex-Commissioner Lyman back into the service, appointing him Agent of the Western Division to obtain subscriptions to the stock of the Company, and cessions of land. He was at the same time appointed "Agent of the Company, with special reference to services on the Susquehanna and Western divisions of the roads." January 22, 1840, he was appointed Commissioner of the Susquehanna Division. August 1, 1841, he was made General Commissioner of the Company.

August 1, 1840, Francis Bloodgood, who had been Lyman's assistant, was appointed Commissioner of the Central Division, at a salary of \$2,500 per annum. On the same day, Thomas A. Johnson became Commissioner of the Susquehanna Division, at the same salary. Thompson S. Brown, the Associate Engineer of the Company, in charge of the Western Division as Chief Engineer, was made also Commissioner of that division, November 25, 1840.

Gen. C. B. Stuart was appointed Chief Engineer of the Susquehanna Division in February, 1840. General Stuart, in 1833, was engaged on the construction of the Saratoga and Schenectady Railroad and Saratoga and Washington Railroad. From September, 1833, to September, 1836, he was Assistant Engineer of the Utica and Schenectady Railroad. He became Resident Engineer, in the latter month, of the Syracuse and Utica Railroad, and continued as such until the completion of that road in September, 1839. He then made preliminary surveys of the Oswego and Syracuse Railroad. From February 10, 1840, to February 10, 1841, his staff on the Susquehanna Division, between Binghamton and Hornellsville, was as follows: T. G.

Pomeroy, principal assistant engineer from Elmira to Hornellsville; Ira Spaulding, principal assistant engineer from Elmira to Binghamton; Franklin Hathaway, bookkeeper and draughtsman, Owego office; D. W. Linn, leveller, Elmira to Binghamton; Ephraim Leach, agent to purchase timber, in Tioga County; Minos McGowan, timber agent for Chemung and Steuben counties; E. S. Thompson, inspector of pile timber, Binghamton to Elmira; E. S. Dean, inspector of pile timber, Elmira to Hornellsville; Stephen Dexter, surveyor, Tioga and Chemung counties; E. J. Farnum, engineer, Steuben County; Benjamin B. Griswold, chainman and rodman, Elmira to Hornellsville; Robert S. Wright, clerk, Owego office.

The attorneys to investigate land titles and obtain releases for the roadway on the Eastern Division were Thomas E. Blanch, Charles G. King, William F. Sharp, John E. Phillips, and Henry G. Wisner. Rathbone & Marsh, of Utica—the junior member of the firm being Luther R. Marsh, who subsequently became a lawyer of national reputation—had charge of such matters on the Susquehanna Division, and George A. French and Hanson A. Risley on the western portion of the line. Mr. Marsh was also a partner of Samuel P. Lyman. He spent two winters at Dunkirk, Bath, Elmira, and Owego, making abstracts of the titles of the land required to be taken for the road-bed and depots, from Binghamton to Lake Erie, and trying the causes for the appraisement of property where parties could not agree. Mr. Marsh is still living at Middletown, N. Y., hale and hearty at the age of eighty years.

As early as November, 1839, the Company solicited bids for furnishing ties, wooden rails, sills, and piles for the railroad. The cross-ties were to be of durable oak, chestnut, or butternut, 9 feet in length, 7½ to 9 inches in diameter at the small end. The rails were to be of white, pin, or rock oak, 6 x 8 inches, and 15, 20, or 25 feet long. The sills were to be of oak, chestnut, pine, or hemlock, 5 x 10 to 12 inches thick, 15, 20, or 25 feet long. Piles were to be 20 feet long, and over 7 to 8 inches in diameter at the small end. There were also some called for at less than 20 feet.

The contractors whose bids to furnish this original material for Erie track-laying were accepted were as follows:

November 21, 1839, Stacy Beakes, "and others." They furnished \$10,000 worth of ties, and took the entire amount in the Company's stock.

November 22, 1839, John Coffey; November 23, J. H. Pierson; November 25, Jacob M. Ryerson; November 26, John Kelley, Jonah Brooks; November 29, Cornelius J. Blauvelt.

The price paid for cross-ties was 20 to 25 cents apiece; for rails, \$20 to \$25 per 1,000; for sills, \$17.50 to \$22 per 1,000; piles, 20 feet and over, 5 cents per lineal foot; less than 20 feet, 4½ cents per lineal foot.

July 25, 1840, Miss Mary Rutherford sold the Company for \$3,000 a tract of 300 acres of land in the Ramapo hills, which

was wanted for the timber it contained. She took \$1,000 in the Company's stock.

T. Selleck and M. Brainard took the contract, July 27, 1839, for the piling of the meadows, at 5½ cents per foot for piles, and \$1,100 a mile for driving. This included the piling of the Chester meadows, then an almost bottomless morass, now the broad and fertile onion meadows, famous the country over. The condition of this area at the time the railroad found its way across it fifty-seven years ago, and the work that had to be done to get a foundation for the railroad in the then treacherous spread of morass, was described at the time in the *New York Railroad Journal*: "Immediately in the line of the route," said the article, "is found a very extensive peat swamp, which must be crossed at a level of twenty or thirty feet above the surface. This swamp has every appearance of having been the bed of a lake. The difficulties of building the road across it have been met in the following manner: Four piles are placed transversely to the road and upon them is founded a trestlework, having a space of twenty feet between the piles. The piles are generally fifty feet long, and are driven through the peat into the solid substratum, and the level of the road is from twenty to thirty feet above the surface."

That "open" work was years ago made solid, and the traveller on the Erie, passing over that mile of railroad between Greycourt and Chester, N. Y., would little suppose that its foundation was builded on cordons of timber, with bases driven nearly seventy feet into the yielding earth before they touched stable bottom.

Another locality that was a source of much labor, disappointment, and expense to the contractors was in the vicinity of what is now Arden station, east of Turner's, N. Y. Here long stretches of quagmire of great depth were encountered, and piles as large as telegraph poles had to be driven down through the treacherous deposit to find a solid foundation. These piles in some places were driven on top of one another to a depth of nearly 140 feet before such foundation could be struck. Then between the rows of piling thousands of loads of rock and gravel and earth, mingled with countless untrimmed trees of large size, were dumped, to sink to the solid ground or rock beneath, and gradually build up a foundation for the road-bed. Nor were the original trouble and cost of this unstable spot the end of it. To this day immense quantities of broken stone are dumped there to replace the fictitious bottom as it in time sinks away.

#### THE ORIGINAL ERIE RAILROAD.

(From an Official Statement made in 1840 for Public Information.)

The iron rails are to be of the H form, with heavy heads. They are three and one-half inches high, four inches wide on the base, and weigh fifty-six lbs. per lineal yard. Both sides are alike, in order to admit of reversion, if symptoms of failure are perceived in those parts exposed to the action of the wheels.

The rails are to be supported on continuous bearings of timber, twelve inches broad, eight inches thick, and as long as can be conveniently obtained. They must be scrapped at the ends, so that no

irregular elevation or depression of either stick can take place at a joint. They will break joints with each other, and with the iron rails, and will be bound together, at every six feet on curves, and at every eight feet on tangents, by cross ties of plank, seven and a half feet long, three inches thick, and seven inches wide, fitted accurately into notches two and a half inches deep, on the upper side of the longitudinal timbers, and secured by a trenail of pin oak, two inches in diameter. The position of the base of the rail having been accurately marked out on the cross ties, notches half an inch deep and four inches wide will be cut into them, so as to let the rail rest continuously on the longitudinal timbers, the edges of which must be added down to shed the rain.

The rails are secured from any motion, except that due to the expansion and contraction of the metal, by appropriate chairs of cast iron at the joints, and are fastened to the timbers by brad-headed spikes, half an inch square and five and a half inches long, one of which is required for every eighteen inches.

Where timber of suitable quality is found on the line of the road, it may be hewn on two sides instead of being sawed square. In such cases it must be got out nine inches thick, and the counter hewn on the upper surface before being laid.

It will be noticed that by this plan of road, each bearing timber rests continuously on the ground, and at the same time supports continuously the iron rail. The cross ties, too, have a double action, binding together the longitudinal bearers, and also connecting the rails, by the notches into which their bases are fitted. By placing the ties on the upper side of the bearers instead of the lower, the connexion is made at the point where its efficiency is greatest and most necessary, and as no part of the vertical support is derived from the ties, the dimensions proposed for them will be found sufficient.

The drainage of the track will be effected by a ditch between the longitudinal timbers, for which the width between the rails affords ample room, and cross drains at suitable distances will carry off the water. The centre drain will be sunk lower than the cross ties, so as not to interfere with them.

Where a pile road is adopted (which will be the case on more than two hundred miles of the Susquehanna and Western divisions), a similar superstructure is proposed, with the necessary modifications for connecting it firmly and securely to the heads of the piles.

The width of the track on the New York and Erie Railroad is six feet, and the distance between the tracks (where two lines are laid) is seven feet. These dimensions admit of wider and more commodious cars being used with safety, than can be adopted for roads of the ordinary width. The first-class passenger cars already built for this road are believed to be equal to any hitherto constructed in the United States, with regard to beauty and finish, and superior in all the arrangements and appliances requisite for comfort and ease. They are eleven feet wide, and thirty-six feet long, and are mounted on eight wheels. Those intended for gentlemen will accommodate comfortably seventy-eight persons. The ladies' cars have drawing and retiring rooms of ample dimensions.

The second-class cars, intended for the use of emigrants, and others desirous of travelling at a low rate, and willing to accept of cheaper accommodations, will be capable of carrying one hundred persons.

#### STATE STOCK AND EARLY CONTRACTORS.

By the acts of the New York Legislature of 1838 and 1840 that State issued conditionally certificates of stock to the Company in aid of the construction of the railroad. The first installment of State stock, amounting to \$100,000, was issued to the Company December 3, 1838, by State Comptroller Bates Cook. January 2, 1839, it was nominally sold to Nevius, Townsend & Co., of New York, at 89 per cent.

The interest on this stock was  $4\frac{1}{2}$  per cent., and the Company had in expectation that the Legislature would authorize an exchange of stock for a 5 per cent. issue, and the ostensible sale was simply an agreement by which Nevius, Thompson & Co. held the stock in trust until such time as the exchange might be made for the Company's own benefit, the Company thus having control of it in procuring means to continue the work of the road. Prime, Ward & King, the banking house in which President James Gore King was a partner, had advanced funds to the Company to the amount of \$60,500, and this stock was deposited with them as security for the loan. It thus remained until September 1, 1839, when it was sold bona fide at  $82\frac{1}{2}$  per cent. In the meantime the Company had been able to fulfil the conditions by which they became entitled to two further installments of \$100,000 each. The second installment was sold June 29th at 85. The third was sold August 31, 1839, at an average rate of 78. The fourth installment was issued from the Comptroller's office December 4, 1839. It was sold December 6th to Robert White at 90, no other person appearing disposed to purchase it. He purchased it at the request and for the account of the Company. This installment was held to abide the result of a change of interest by the Legislature, but a part of it was hypothecated for money which had been disbursed in construction, and, with the amount of the Company's other liabilities to contractors and others, amounted to as much as the probable proceeds of the stock. This change in interest was made by the Act of April 29, 1840, and the \$100,000 in stock was returned to the Comptroller of the State in exchange for an equal amount of stock bearing interest not to exceed 6 per cent. per annum. This exchange was made for a  $5\frac{1}{2}$  per cent. stock. The Company sold this by auction at different times and rates, the aggregate amount received for it being \$95,451.17, less \$485 brokerage.

The subsequent issue of State stock bore interest at  $5\frac{1}{2}$  and 6 per cent., and was bid in at its auction sales by or for the Company, nominally at par. The Company then either sold or hypothecated it at the highest price it would command in the market. The discount was on the average about 15 per cent. Under the law, the State stock could not be sold at less than par, but the stock did not command par, and the Company itself was obliged to buy it in at par and then raise what money it could by subsequent sale or hypothecation.

Under the Act of the New York Legislature of 1840 by which money was being raised for construction of the railroad, the State issued to the Company \$100,000 in certificates of stock, guaranteed by the State, for every \$50,000 the Company should actually expend in such construction. The law prescribed that the Company should produce to the Comptroller evidence of the expenditure of the whole proceeds of the sales of previous issues of State stock in actual construction of the road before any further installment would issue by the State to the Company. It became a question in the various discussions of the affairs and management of the Company whether the Company was not offering as evidence in obtaining new issues of State stock the amount by which the stock

was bid in by it instead of the amount received for it when sold or hypothecated. Then it was charged that in transactions with contractors the Company stipulated that its time drafts, given in payment for work or materials, should be accepted as cash, and that the receipts or vouchers given by contractors for these drafts as cash payments were used as evidences of money expended in construction in obtaining further advances from the State. In making contracts for the purchase and delivery of materials on the Susquehanna Division, the Commissioner and Engineer took in advance a conveyance of the title to all the standing timber to be used according to the contract, and to all the timber which the contractor was to procure for that purpose, and then advanced to him the amount which he agreed to invest on the Company's stock. Then he would give the Company a voucher for such advances, and hypothecate the stock with the Company. This would be held by the Commissioner of that division as security for the performance of the contract. It was charged that these vouchers were used by the Company in evidence as money actually expended in construction of the road to secure further State stock. It frequently happened that after delivering timber to a large amount a contractor would default in his contract, when, according to its terms, the Company kept the timber and sold the hypothecated stock, thus making quite a snug thing out of the transaction. In negotiating for right of way where it was not gratuitously offered, the building of the necessary fences and farm crossings was contracted for in the same agreement, the crossings and one-half of the fencing to be built by the land-owner and maintained by him during the life of the Company's charter. The amount necessary for this purpose, although the fences were not to be built until the railroad was completed through the property, was advanced by the Company, and the contractor invested it in stock. This the Company regarded as a purchase of stock, and put the vouchers in as evidence of money expended in construction, which the railroad inspectors allowed.

**SPECIAL STOCK.**—The special stock was that issued to subscribers under the Lord plan of raising money by counties and divisions, and which pledged the income of the road to the payment of the interest on the State stock expended in construction of the division where the avails of such stock were used; to the payment of 6 per cent. per annum on all shares of full stock the installments of which were expended on that part of the road; and the payment of interest on the installments collected from time to time, except the first 10 per cent. on all other shares expended on that part of the road, until the whole road was completed from the Hudson River to Lake Erie. On the Western Division the avails of all the lands on that division given in aid of the road were also pledged to the subscribers on that division for the same purpose.

**FIRST MANIPULATION OF ERIE STOCK.**—February 4, 1835, the first installment (\$50,000) paid on subscriptions to

the stock of the Company after the organization, was deposited with the New York Life Insurance and Trust Company at 4½ per cent. interest. This stock was called "general stock." Between April 15th and September 1, 1835, 13,621 shares of stock were subscribed for, and 5 per cent. (\$62,105) was paid on them. Then a call was made for another 5 per cent. payment, November 2d. To this call 21,131 shares responded, the installment amounting to \$105,655.

During the year 1837, particularly during February, 2,200 new shares were subscribed for, on 1,355 of which cash installments were paid to the amount of \$20,137.50. On old subscriptions \$59,887.50 were paid during the year.

No assessments were made on the stock of the New York and Erie Railroad Company since President King's call in 1837, until March, 1841. In the aggregate, 15 per cent. of the subscriptions had been called for and a total of \$325,907.50 paid.

The call made on the subscribers in March, 1841, was for an installment of 5 per cent. more on their stock. It met with no response. It was only too evident that to depend on the subscribers to this original stock for further voluntary aid would be futile, and as the law's authority to compel payment seemed to the management to be too harsh, some plan must be devised by which money might be raised. Such a plan was adopted March 27, 1841, by a resolution of the Board of Directors, which was known among the investors and financiers of that day as the "Consolidated Resolution." It was as follows:

Each original stockholder of the Company, or holder of the stock subscribed in this city in 1835 or 1836, who shall agree to pay on his stock the further sum of five dollars per share on or before the 10th day of April next, or two and a half dollars per share subsequently as called for, shall be and is hereby entitled to transfer the whole number of shares so subscribed as held by him, to the Treasurer of the Company. Those who shall have paid the five dollars per share aforesaid shall be entitled to receive certificates of so many shares of full stock as shall be equal to \$100 per share to the whole amount which shall have been paid on all the shares transferred by him aforesaid. Those who shall have paid two dollars and fifty cents, or any further sum less than five dollars per share on all the shares so transferred to the Treasurer, shall receive certificates of stock in like proportion, which shall specify the balance of the said five dollars to be paid on each share to make it full stock.

*Resolved*, That transfers pursuant to the foregoing arrangement, be and hereby are authorized, as soon as it shall appear that the holders of one-half or more of the original stock aforesaid shall have specified their concurrence in the said arrangement, and that the Executive Committee, with the Commissioner, Mr. Lyman, be authorized to carry the same into effect.

The reason for this measure was the unfavorable manner in which the call for the 5 per cent. was received by the stockholders. Many of these were insolvent and unable to pay, and those who were able to pay would not do so unless the others paid as well. The gentle view was held of these latter by the Board of Directors that as they had subscribed originally for the stock merely to help the Company along,

and not for any desire or expectation of individual profit, it would be cruel to hold them to the terms of the subscription and the Company's charter, and force them by legal stress to pay their assessments or forfeit their stock. The considerate Board did not seem to think it anything paradoxical in the claim of these stockholders as to how they were helping the Company by subscribing, if they did not intend to pay their subscriptions. And among the subscribers who would be made to suffer by such a cruel course on the part of the Company were William B. Astor, John Jacob Astor, Brown Brothers & Company, Francis B. Cutting, John G. Coster, Charles Hoyt, Gould Hoyt, James G. King, Nevius, Townsend & Co., Gouverneur Morris, Frederick de Peyster, Archibald Gracie, Gardiner G. Howland, James Boorman, Stephen Whitney, and scores of other merchant princes and millionaires of that day. William B. Astor held seventy-five shares, of which he had fifteen made full stock by paying the five dollars per share asked for by the resolution; the remaining sixty shares he delivered to the Company, and was relieved of all future liability for them. John Jacob Astor paid \$150, and received certificates that he was the owner of thirty full paid-up shares of stock, and the 120 remaining shares of his holding he transferred to the Company and was thus relieved of all suspense as to further demands on him on account of that stock, for which he had promised to pay \$100 per share. The others of this body of generous aiders of a much desired and needed public improvement relieved themselves of their responsibility for their original subscriptions, every dollar of which could have been collected, in about the same proportion.

The largest stockholder in the Company was Eleazar Lord. He held 4,020 shares, of which he paid the assessment on 804 shares. The 263 stockholders, most of them solvent, paid or agreed to pay five dollars each on 3,420 of their entire holding of 17,041 shares, for the privilege of being absolved from all future liability, and surrendered the balance, 13,261 shares, to the Company. This bit of financial genius on the part of the Directors netted the Company \$17,000 in cash, and left them the balance of the stock to retransfer to contractors in part payment for work and material, or to sell to possible new purchasers. The Company declared that by this transaction it was enabled to raise more money than could possibly have been obtained in any other way, taking into account the possibility of future subscriptions from many of the stockholders released from the obligations of their old stock, and the general effect harsh measures to collect assessments would have had on the condition of the Company's affairs at that time. This was the opinion of President King and Treasurer Bowen, and the plan was adopted on the advice of the Company's counsel, William Kent.

#### A SHOW OF PROGRESS.

The operations of the contractors who were continued at their work in 1839 did not go with much push, and it was not until the early spring of 1840 that healthy activity on the

line began. The Lord plan of raising money ("Administration of Eleazar Lord," page 44) was meeting with success, and J. S. T. Stranahan, with Daniel Carmichael as his partner, under the firm name of Carmichael & Stranahan, took contracts to the amount of \$700,000 on the road, mainly in rock and bank excavation and embankment wall. This firm accepted one-third of the contract price in stock. About the same time the Company advertised for bids for laying the superstructure of the railroad, separate bids to be made for the section between Piermont and Coffeys (the Rockland County line), twenty-six miles, and the section from that point to Goshen, twenty miles. There were twenty-three applicants for the contracts. To George C. and Sidney G. Miller was awarded the contract from Coffey's to Goshen, June 12, 1840. The contract price was ten and one-half cents per lineal foot of timber, twenty-five cents apiece for cross ties, and two dollars per rod for mechanical work, including laying the iron. The superstructure for this part of the road cost \$39,376, or \$1,968.80 per mile. June 13, 1840, the contract from Piermont to Coffey's, twenty-six miles, was awarded to William E. Camp & Co., of Harrisburg, Pa., at twelve and one-quarter cents per lineal foot of timber, twenty-five cents apiece for cross ties, and two dollars per rod for mechanical work, including laying of the iron, making the cost of the superstructure for that part of the road \$55,993.60, or \$2,153.60 per mile.

J. S. T. Stranahan, mentioned above, was the first successful contractor on the Erie, and did much toward getting the work started towards completion. He was one of those who, nine years later, made the extension of the Erie west from Binghamton possible at that time. He became one of the distinguished men of this country, and died in 1898, aged nearly ninety years, known all over the land as "The First Citizen of Brooklyn," in which city a splendid bronze monument perpetuates his memory.

#### TROUBLE ABOUT A CHANGE OF ROUTE.

As early as 1836 the people of interior Sullivan County became disturbed by the fear that the route selected through that county by the original survey of 1834 would eventually be abandoned, and they began to use all the influence they could bring to bear to prevent the choice of a route other than through the interior, although the original survey should be rejected. They requested the Company to make a new survey of routes through the interior, and insisted that one could be found better and cheaper than one through the Delaware Valley. Such surveys were made in 1840, under the supervision of A. C. Morton, routes through the Delaware Valley being run out at the same time.

Two routes were surveyed through Sullivan County, known as the Thompsonville route and the Bronson route. They were both the same from the Deerpark Gap at Shawangunk Summit to Barber's Eddy, on the Neversink, fourteen and one-half miles. There the former route took a direction that brought it near the village of Monticello, and the latter ran

through Thompsonville, several miles further north. They met in the valley of the Mongaup and were identical from there to the mouth of the Callicoon Creek, twenty miles. Both routes were crooked and of heavy grades, three-fifths of the Bronson route being sixty feet to the mile. The road built on this route, twenty-three and one-half miles, was estimated to cost \$491,833. The Callicoon Creek would have had to be crossed nine times in a distance of twenty miles, and a long tunnel made through a rocky point near the mouth of the creek. The entire cost of the road by the Thompsonville route, which was the preferable one, from the Shawangunk Summit to the mouth of Callicoon Creek, fifty-nine miles, it was estimated, would be \$987,930.

The other routes surveyed were known as the Delaware and the Pennsylvania. On the latter only a reconnoissance was made, "but one sufficiently accurate to determine its advantages." The interior routes were not approved by Engineer Morton, who reported to the Company in favor of the Delaware route. If the railroad had been constructed as proposed on this route, some idea may be had of how pleasant and profitable its building would have been to the Delaware and Hudson Canal Company, and of what sort of a "freak" highway the Erie would have been in the valley to-day, when it is known that it would have been built partially in the channel of the Delaware River, would have crossed the canal seven times within twenty miles, and required at least two tunnels. The historic survey through Sullivan County was made by Allen A. Goodliffe, in the fall of 1839 and winter of 1840, as First Assistant under A. C. Morton. He is still living, aged eighty-seven years, the last survivor of the pioneer civil engineers of this country. He began at the age of nineteen, on the Newcastle and Frenchtown Railroad, in Delaware. In 1831 he helped survey the Ithaca and Owego Railroad route, and in 1834 was an engineer on the Chenango Canal. In 1836 he went to the Long Island Railroad, under James P. Kirkwood, Engineer of that work and some years later Superintendent of the Erie. In 1837 he became Chief Engineer of the Norwich and Worcester Railroad, and a year later helped locate a route for the proposed New York and Albany Railroad. Then he made the Sullivan County survey of the Erie route. December, 1840, he completed the survey of the New York and Harlem Railroad, and ran the line for the desired eight-mile extension of that railroad to the Hudson River, to connect with the Erie, which great opportunity the Erie rejected. It is to Mr. Goodliffe that the author is indebted for the records on which that chapter of Erie is written. From 1841 to 1847 Mr. Goodliffe followed his profession on the Boston and Albany, the West Stockbridge, and the Long Island railroads. He rode on the first locomotive that pulled a train of passenger cars on the latter railroad, October 8, 1844. In 1847 he was appointed Chief Engineer of the Vermont Central Railroad, but declined it at the solicitation of his family, and went into mercantile business. He removed to Wellsville, N. Y., on the Erie, in July, 1851, where he is still living, a remarkable relic of the pioneer days of railroads, the possibilities of which he foresaw

and advocated, a generation ahead of his time. Engineer Morton's report on the route was accompanied by a strong recommendation in favor of it, and the Company seems to have thought so well of it that, without waiting for the sanction of the Legislature of New York for the change, it let contracts, in December, 1840, for the grading of the road-bed west of Middletown, and over the new route, as follows:

Carmichael & King, Sections 1, 2, and 3; Haggerty & Dimon, Section 4; Reeve & King, Sections 5 and 6; J. C. Collins, Summit Section; Bernard Flynn & Co., Summit to Teakettle Brook; James O'Brien, Teakettle Brook to Neversink River; O. H. Taylor & Co., Neversink River half-way to Butler's on the Delaware River; Roberts & Sloat, the remaining half; Ives, Nelson, Downer & Co., twenty miles, from Butler's to Lackawaxen; Black, Malone & Co., Lackawaxen to Cochection; Wood, Wilkes & Co., Cochection to Callicoon. This let the road in the Delaware Valley up to the point where the contract of 1835, under President King, ended. These contractors took from one-third to three-eighths of the amount of their contracts in stock. The clearing and grubbing on this section were to cost \$50 to \$800 per mile; but the Delaware Valley contracts were not begun with the other work, for, notwithstanding the appeals of the Company, the Legislature did not sanction the change of route.

Apprehensive that legislative consent would eventually be obtained by the Company to run its railroad over the proposed route through the Delaware Valley, the Delaware and Hudson Canal Company filed a bill in the Court of Chancery asking for an injunction preventing the railroad from going there. This was the Erie's first injunction suit, although such proceedings were destined to become a large part of the Company's subsequent history. The answer to this original action against the Erie was drawn by William Kent, and he argued it at Saratoga. He received \$250 as his fee. George Ward was his associate counsel, and received the same fee. William Samuel Johnson was his law partner in New York City. William Kent succeeded Charles G. King as Attorney of the Company, King having been such from the fall of 1837 until 1840. King succeeded John Duer, who was the Company's first counsel. The first business Kent had to transact was to call on stockholders for arrearages of stock, and bring suits if they did not pay. Kent secured title to the land requested for the road-bed in Rockland County in 1838, and began four suits before the Chancellor for the appointment of Commissioners to appraise damages. He received in all \$4,000 for his services. One of his bills was cut down to \$1,000 by the Company.

The courts sustained all the Canal Company's contentions. The injunction against the Delaware Valley route was granted and made perpetual, and during the year that elapsed before any further work was done on the railroad, circumstances had provided a route through the valley satisfactory to all.

The Railroad Company could hardly be blamed for trying to find a thoroughfare in the Delaware Valley, even by such a route as Morton's, for by no other means could it have got down off the Shawangunk Summit to the Neversink Valley

with a locomotive road. By the original survey, which led the route through central Sullivan County, the railroad was to be run from the Shawangunk Summit to Cuddebackville, by crossing the Basheskill Creek. The distance between the summit and Cuddebackville was less than two and one-half miles, and between the summit and the Basheskill only a little more than a mile and a half. The Basheskill was 454 feet lower than the Deepark Gap, and seventy-one feet higher than Cuddebackville, so that the railroad would have had to descend 454 feet within a distance of a mile and a half, and then climb up seventy-one feet the next mile to get to Cuddebackville! "This was originally deemed the point of greatest difficulty on the New York and Erie Railroad," said Engineer Morton in his report. "The first survey contemplated grades of 100 feet per mile, and a summit cut of fifty feet. A commission of eminent engineers (Moncure Robinson and Jonathan Knight) afterwards recommended a formidable tunnel at the gap with grades of 100 feet, inclined planes with stationary power, and switch lines with culminating points reversing the position of the trains."

It was with the laudable purpose of solving this vexing Shawangunk Summit problem that Engineer Morton sought the route to and through the Delaware Valley which would necessitate the abandoning of Sullivan County by the railroad. But the future was to deal with that problem.

In the summer of 1841, James Seymour, who was one of Benjamin Wright's assistants in the original Erie survey of 1834, examined the Erie route at the request of the Legislative Committee that was investigating the Company's affairs. Seymour made a report August 20, 1841. This was before the railroad had been opened to Goshen. "An important circumstance connected with the selection of the Delaware route, and the ulterior views of the Company," said he, "will be found in the fact that the anthracite coal fields of Pennsylvania may be advantageously reached by the construction of a branch road, a distance of about forty miles from the mouth of the Lackawaxen, by following up the valley of the Wallenpaupack (a tributary of the Lackawaxen) through Cobb's Gap to the coal fields, which may be deemed inexhaustible for many centuries to come. From information derived from sources I have every reason to consider authentic, I am enabled to state that a company with resources under their control are prepared to commence the construction of a road for that purpose as soon as it is positively ascertained the Delaware route has been adopted. It is within the sphere of judicious calculation to estimate that 100,000 tons of coal may be delivered at the mouth of the Lackawaxen during the first year the two roads are in operation. The distance from that point to Piermont is ninety-five miles, and the cost of delivering that amount of coal will not probably exceed \$100,000, as ten cars carrying ten tons each will deliver 100 tons by means of a single train; but say \$150,000, and the Company should charge but \$3, they could realize the first year, over and above expenses, \$150,000 by this single operation."

More than a score of years passed before this remarkable

prophecy was fulfilled, but fulfilled it was. The Hawley Branch of the Erie and the Erie and Wyoming Railroad cover almost exactly the route Seymour mentioned in 1841, and carry to market twenty times more coal than he calculated would be the traffic.

Engineer Seymour described the manner in which the railroad was being constructed on the Eastern Division. "A small portion of the road is constructed on piles, another portion upon trestles, but by far the largest portion is graded. A longitudinal sill placed lengthwise of the road, flattened upon two sides, about eight inches thick and twelve wide, with cross-ties transversely across the road, let into the sills sufficiently near to bind them firmly together. The cross-ties are set into the sills from the top, thereby giving the sill an equal bearing from end to end, in order that the frost when acting may act equally, and at the same time preserve as uniform a surface as possible. Upon the centre of the wooden rail superstructure is a heavy iron H-rail weighing fifty-six pounds to the yard, firmly secured by means of spikes. This rail costs, including chain, centre plates and spikes, about \$7,000 per mile for a single track."

This observing engineer examined also into the manner in which stock was agreed to be taken by the contractors. After it was ascertained by the Company who were the lowest responsible bidders, the bidders were invited to a private consultation with the Company's representatives and requested to take a certain amount of stock, before they were informed they were entitled to the work. This proposal being assented to on the part of the gentlemen concerned, the work was promptly declared off to them, "a perfectly fair and honorable business transaction, in which the interests of the Company were faithfully consulted," declared Mr. Seymour—something, however, about which there seems to have been a different opinion held by others in that day and generation.

#### THE UNFORTUNATE ROADWAY OF PILES.

There are traditions to-day connecting the Erie's early construction vaguely with a causeway of piles, one being that rails of the Erie were originally laid on piling for hundreds of miles, until their decaying compelled the substitution of a solid road-bed by filling in the space between the ground and the rails with rock and earth, which is now the bed the road lies on in the Susquehanna and Alleghany valleys. As a matter of fact, many sections of the old piled road-bed have no connection with the present Erie route in those localities, and no rails were ever placed upon it. The story of it was a melancholy one in its day. It may well serve only to amuse in these days of advanced railroad science.

A piled roadway instead of a graded road-bed was decided on by the Company upon the representations and recommendations of Gen. Charles B. Stuart, made to the Company through General Commissioner Samuel P. Lyman, who had asked Stewart's opinion, in January, 1840. General

Stewart had constructed the Syracuse and Utica Railroad in 1839, much of which was built on piles. He wrote to Lyman that "piled road was an improvement destined to facilitate the completion of those vast links in the chain of internal improvements which have been projected throughout our State and the Union." He recommended its adoption not only in low and marshy lands, but in every instance wherein there was an abundant supply of piling timber, and where the ground would admit of its construction. "But it is not alone in the economy of construction that the advantages of the piling system consists in this Northern clime," wrote General Stewart. "It is not liable to derangement by frost; it is not liable to be obstructed by snow; it is free from the dangers of a graded road in consequence of the washing of the banks by flood and rains, and settling when set up in soft bottoms, thereby requiring constant expense to adjust the road and replace the earth materials. The interest on the money saved by building a pile road instead of a graded road will renew the piles, if necessary, every five years." The piles and superstructure were to be saturated with salt, a quantity being put into the head of each pile. Eight men, he said, could grade a mile of such road in a month.

Other recommendations for the piled road-bed were that there would be no expense for ties and repairs, and it would offer no inducements to pedestrians or cattle to walk on the track, thus saving human life from peril, and the Company from responsibility for damages. The strongest argument in favor of piles was that delay in constructing the railroad would imperil the Company's franchise, prompt the repeal of the loan bill, or involve the work in some other legislative entanglement; and that piles, besides being much cheaper, could be set in one-half the time it would take to make a graded road-bed, thus saving time and money to the Company, both of which were of vital importance. Moreover, this road-bed would make a demand for timber along the route and for local labor, thus arousing sectional sympathy and influence in behalf of the railroad, which had come to be none too popular.

The piled roadway was adopted. Instead of an extent of marsh land in which piles were necessary, the ground was so solid that the patent portable pile-drivers, eight of which the Company employed to do the work, drove the timbers with difficulty, and in some places beds of gravel had to be excavated before the piles could be forced down. They were driven below the frost line, with a space of five feet between them, and projected on the level four inches above the ground. Where there were hollow places on the line, or spots where they were liable to be overflowed by water, the projection of the piles above ground was greater, according to circumstances. Such places were to be filled in with gravel. These piles, it was estimated, would continue sound and serviceable from ten to fifteen years, and would be uniformly secure and steady. A full description of them, and the manner in which they were to be driven, and the framework for the rails and cross-ties formed, is contained in the contract specifications, as follows:

The contract was made February 10, 1840, by Samuel P. Lyman, as Commissioner of the Company, with John P. Manrow, of Rome, Oneida County, and Niles Higinbotham, of Lenox, Madison County, by which they were to grade the road between Binghamton and Hornellsville, and have the road-bed ready for a single track by July 1, 1842, for \$800 per mile "for clearing and grubbing for a graded road, through any wilderness that may occur, and the sum of \$425 per mile for grubbing for the pile road through any wilderness that may occur on the said road, and the sum of \$1 for grubbing each stump, where the diameter is one foot or more at the base, and for smaller stumps a price proportioned to the size and expense of removal; also for butting, sharpening, turning, driving, and sawing off, boring and fitting the piles for the superstructure, according to the specifications of a pile road, taking the piles where they are to be delivered by the terms of the contracts for delivery. In all cases where the length of the pile does not exceed fifteen feet, and where the same are sawed off at a distance of three feet and a half from the surface of the road-bed, at the rate of \$1,150 per mile. In cases where the length of the pile is more than fifteen feet and less than eighteen, the additional sum of \$50 per mile; and for every additional three feet, over eighteen feet, the further sum of \$25 per mile; and in cases where the piles are sawed off at a distance of more than three and one-half feet, and less than five feet from the surface of the road, the additional sum of \$50 per mile; and for every additional five feet over the above-mentioned five feet from the ground, the further sum of \$100 per mile." They were also to frame the sills, and lay the superstructure ready for the iron for \$750 per mile. The contract called for the sinking of the sills in trenches six inches deep and wide enough to bed the timber evenly and firmly. At the joint of the sills, a plank two inches thick, one foot wide, and two feet long was to be laid on the bottom of the trench, and the ends of the sills on this bearing plank, which was to be sunk in the trench so that its top was even with the bottom of the trench, the plank and sills being pounded down by heavy mauls. The earth removed from the trenches was to be rammed around the sills to prevent water from settling under them; the cross-ties hewn flat on their bottom their whole length, so as to give a full and true bearing of nine inches longitudinally on the sills, and framed the same as the piled road. The remainder of the superstructure was to be constructed just like superstructure for piled road.

The contractors were to receive \$100 for each and every time they had to move a pile-driving machine from one part of the road to another. They were to put on the work six of Crane's patent steam pile-driving machines, and if they needed two more the Company was to pay half the cost of the additional machines, in stated advances of certain sums of money, and was to have a lien on the machines for these advances, the amount to be deducted from money due the contractors on final settlement. The contractors took 5 per cent. of the amount of their contract in stock at par, under their contract, but it was modified July 10, 1841, and they ac-

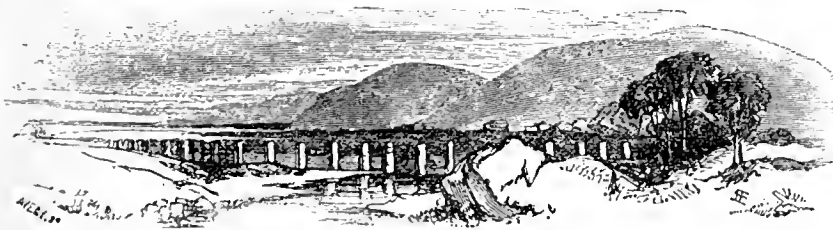
cepted one-third in stock. The payments and advances agreed to by the Company were to depend entirely on its ability to raise funds from the subscribers and stockholders along the line of the Susquehanna Division, and from the avails of the stock of the State, and not on the stockholders in the city of New York or elsewhere, the Company to notify the contractors a month in advance as to the probable amount of money to be realized in that way each ensuing month, to enable the contractors to determine the amount of labor they might do. If they did more work than there was money raised to pay for, interest was to be paid the contractors until the excess was paid from the avails of the stock, the contractors to use their own option about going on with their contract after a failure to receive all that was due thereon every month. If from lack of funds the contractors were unable to complete their contract by the time agreed, the time should be extended long enough to make up for the delay, and in case the cost of labor, provisions, and materials had increased in the meantime, the difference should be added to the sum agreed to be paid by the Company for the work.

The piles were to be straight and sound white oak, not less than eight feet long, and not less than ten or more than sixteen inches in diameter at the butt, at least one-half to measure one foot at the butt. The cross-ties were to be white oak or chestnut, perfectly sound, not less than nine or more than thirteen inches at the small end, sawed in lengths of nine and one-half feet. They were to be delivered along the line in piles of from ten to twenty-five. The rail timber was to be sound, square-edged white oak, sawed on four sides, 7 x 8 inches, and to be 16, 20, 24, 28, or 32 feet long, exclusive of stub-shot. The sills were to be sound white oak, pine, or hemlock, sawed on two sides to make a stick six inches thick, and not less than twelve inches wide, exclusive of wane on the bottom or wide side, no sill to be less than ten inches, exclusive of wane, on the narrow side, and to be 16, 20, 24, or 28 feet long.

The piles were to be driven four feet apart longitudinally, and six feet apart transversely, from centre to centre, and at least five feet below the surface, and until they reached solid bottom, or a point where, owing to the firmness of the earth, the piles could not be driven more than two inches at a blow of the hammers of the driving machine. If a pile was not long enough to reach solid bottom, it was to be sawed off, and another pile connected with it by a pin placed in the centre of each at the point, and the two driven until bottom was reached. After reaching bottom, each pile was to be sawed off on a line corresponding with the grade of the road. On the top or upper side of each pile a tenon was to be framed for the notch in the cross-tie, the tenon being two inches high and nine inches thick, and of the same width as the cross-tie, and so made that the tie sheltered the pile from rain and snow; the lower side of each tie to be framed to the top of the piles by a notch cut across it nine inches wide, and of a depth sufficient for the tenon on top of the pile, and so adjusted that it had a bearing on the tenon of nine inches. In the upper side of the tie notches were to be cut of suffi-

cient width for a longitudinal rail 7 x 8 inches to fit in and be fastened by a wedge eighteen inches in length, four inches wide, and one and one-half inches thick at the large end, the notch to be as deep as the thickness of the tie would permit. Every alternate wedge was to be driven in a direction opposite to the other, and the rails chamfered off one inch from the inside line on an angle of forty-five degrees from the top. The iron rails—or bars, as they were called—were to be three inches wide and three-quarters of an inch thick, and spiked to the wooden rail on a line with the chamfered edge, and laid to a gauge precisely six feet, one-quarter of an inch space to be left between the ends of the bars for expansion. The centre of the tie was to be on a line with the centre of the track, and the distance to the outside shoulder of the tie three feet six inches from the centre of the tie, the outside shoulder parallel with the wooden rail, and the inside shoulder framed on an angle to correspond with the shape of the wedge when driven to its place, so that the middle of the ledge would be on a line with the centre of the tie and notch; the ties to be framed and fitted to the tops of the piles and firmly pinned to them by a white elm tree-rail one foot long and two inches in diameter, and eight-square. A space of twelve feet was to be cleared of timber on each side of the piled road-bed.

There were eight steam pile-drivers at work in 1841, each manned with thirteen men, and a horse and cart for drawing water. The hammers weighed from 1,000 to 1,400 pounds, the fall of which was thirty feet by the last blow. The machines averaged a distance of one mile a month each. There were also four hand pile machines, with 2,500-pound hammers, driving foundations for bridges. The steam machines combined the action of a pile-driver, locomotive, and saw-mill. They moved on wheels, and each machine drove two piles at a time, after which it sawed them off at a given level.



RUINS OF THE OLD PILED ROAD-BED, FROM A DRAWING MADE IN 1853.

#### THE FIRST PILE DRIVEN.

First ground for the Erie had been broken at Deposit, N. Y., in 1835. Ground had again been broken at Piermont and Dunkirk in 1838. But these events, important as they were, had but little significance, according to the account of an Owego newspaper of the day, in comparison with the "driving of the first pile" at Owego, on Wednesday, May 13, 1840. The newspaper's account bore the comprehensive heading, "*New York and Erie Railroad Commenced.*" Then it went on to say: "The Susquehanna Division of this great work, extending from Binghamton to Hornellsville, 117 miles,

is commenced, and is to be finished so that the cars will run the whole distance on the Fourth of July, 1842. At 3 o'clock P.M., the hour designated for the commencement of the work, the ground on which the pile-driver had been erected, about one mile east of the village, was thronged with an anxious multitude, from the gray-headed veteran of the Revolution to the stripling schoolboy of six or seven. All were eager to witness the operations of the locomotive monster, which before now was so much sneered at and abused, and well did the machine vindicate its majesty and power! The first pile which was driven on this occasion was also the first one which was cut, on the 20th of February last, by the agent of the Company, D. O. McComber.

"In the course of the afternoon the presentation of a flag by the ladies took place. The ladies marched to the ground in procession, preceded by the Nichols Band in a splendid wagon, drawn by six horses. On reaching the designated spot, the ladies were ranged in semi-circular form, the gentlemen in a like manner opposite, forming a circle, with the band and a platform for the speaker in the centre. On behalf of the ladies, Mr. I. B. Headley then addressed Mr. McComber, the agent of the Company, closing by presenting him the flag; and Mr. McComber returned appropriate thanks, on behalf of the Company. The flag exhibited on one side our national symbol, the Stars and Stripes, with an inscription on the lower edge, 'Ocular Demonstration.' On the reverse, the corner usually devoted to the stars was occupied by the figure of a locomotive on a pile road, on a blue ground. On the lower stripe was inscribed 'July 4, 1842.'

"It was hoisted to the peak of the first pile-driver that began operations. The company then returned to the village, the citizens retiring to their respective homes, while the operatives attended the machine. Capt. Thomas Sharp, with his men, Albert Savory, Peleg Briggs, George W. Parkhurst, Benjamin Wood, Elias Phelps, and William Robinson, and the contractor, chief engineer and assistants, agents, and a few guests, repaired to the hotel of Mr. Manning, and sat down to a sumptuous repast. After the repast several toasts were drunk, appropriate to the occasion. The company dispersed at an early hour, in good spirits, and high hopes for the future."

Manrow & Higinbotham had four hundred and fifty men and sixty teams at work in 1841, on the Susquehanna Division. Platt, Smith & Co., of Albany, had a contract for thirty-six miles. The contracts were let in long sections to few contractors, which led to much complaint against the monopolizing character of the Company in this respect.

The following donations of land for depots and water-stations were made along the Susquehanna Division: John Hollenback, near East Owego, 6½ acres; John R. Drake, at Owego, 9½ acres; Charles F. Johnson, at Owego, 15 acres; Harmon Pumpelly, at Owego, 4¼ acres; R. C. Johnson, at

Owego,  $4\frac{1}{4}$  acres; James Pumpelly and wife, at Owego, 9 acres; John Lorimer, at Elmira (east side of river),  $9\frac{3}{4}$  acres; Dunn & Baldwin, at Elmira (west side of river),  $3\frac{1}{4}$  acres; George Gardener, at Big Flats,  $8\frac{3}{4}$  acres; Corning Company, at Corning,  $34\frac{1}{2}$  acres; F. E. Erwin, at Erwin (Painted Post), 10 acres; W. B. Jones, at Addison, 5 acres.

Jeremiah Rogers, as agent of the Company, wanted to raise \$20,000 in subscriptions to Erie stock, at and about Binghamton. Hassard Lewis was one of the wealthy citizens, but would not subscribe. If he could get Lewis, Rogers believed he might get others. He made an arrangement by which Lewis subscribed \$1,000, but was only to pay \$500. Then Rogers got Daniel S. Dickinson, Levi Dimmick, Christopher Eldridge, George Pratt & Co., Frank Whitney, and nearly one hundred others. Thomas G. Waterman headed the list of these with \$1,000.

#### THE OWEGO STATION-SITE CONTENTION.

The Pumpellys of Owego were early advocates of the project of a railroad between the Hudson River and Lake Erie. When, in 1840, the railroad at last seemed to be in close proximity to Owego, a bitter strife began there over the location of the depot, although there was not yet a mile of track laid on the entire line. James Pumpelly wanted the railroad to run through the village, either by Temple or Fox Street. Robert C. Johnson proposed to give the Company, on condition that it would spend on the property \$20,000 a year for three successive years, a 30-horse water-power and three acres of land connected with it, and James Pumpelly and Charles F. Johnson were to give additional land, amounting to twenty-five acres. The conveyance was made by Robert C. Johnson on condition that the Company should use the water-power for the purpose of machine shops, furnace and engine station, and for building and repairing cars and locomotives for the Company. The grant did not depend on any particular line of road through Owego. This offer was made in the spring of 1840, and the Company engaged to begin work on the improvements on the land in the fall of 1840, but the work was soon discontinued by Engineer C. B. Stuart, on the plea that the building laid out was larger and involved a greater expense than was contemplated. The surveys for a route through Owego were made by William Wentz. A meeting of citizens was held at the court-house on the evening of June 26, 1840, at which friends of the different routes were present. George Pumpelly was the leader of the advocates of the southern route, and John R. Drake led the advocates of the northern route, or, more properly, what was understood to be the wishes of the Company, which had accepted the proposition of Judge Drake to take the northern route over land which he donated. The fight was very bitter between the factions. The Pumpelly and Johnson interests charged corruption on the part of Commissioner Lyman in locating the route through the Drake property, and bad faith on the part of President Lord, who, they asserted, had agreed to run the road through the village. A committee appointed by the

meeting of June 26th was Charles F. Johnson and George J. Pumpelly to go to New York and present the resolutions to Mr. Lord. The resolutions adopted were as follows:

*Resolved*, That it is very desirable that the New York and Erie Railroad should be located as near the centre of business in this village as possible; that the northern route upon which the work is progressing will be, if adopted, exceedingly injurious, if not destructive to the business interests of the village; that the adoption of the southern route, so called, will not only be essential to the permanent business interests of the village, but, as we confidently believe, will, on examination, be found equally advantageous to the New York and Erie Railroad Company, and we pledge ourselves to use our efforts to make it so; that a petition be drawn up and signed by the citizens, asking a change of the location of said railroad, and that a committee be appointed to present the same to the Company; and that the Commissioner be respectfully requested to stop the work on the northern line until an answer can be obtained to said petition.

The Commissioner refused to stop work, although, according to the committee, he said that route would ruin the business interests of the town. The committee then went to New York and saw Mr. Lord, July 8, 1840. The resolutions of the meeting and the citizens' petition were submitted to him and the Directors. The committee tendered the Company donations of land and right of way through Temple or Fox Street. President Lord said it was too late. The northern route had been decided upon, Mr. Drake having donated the Company land for a depot, and guaranteed obtaining the right of way through the Talcott farm, to which point the route had been excavated and piled. This is the route now occupied by the Erie, and the feeling of bitterness the contention gave rise to among Owego families outlasted its generation.

The following letter will be of interest:

127 NORTH AVENUE, OWEGO, *July 15, 1896.*

EDWARD H. MOTT.

DEAR SIR: Mr. Leroy Kingman handed me your letter of June 16th, thinking my mother, Mrs. Harriet G. Tinkham, was better informed about the early history of the New York and Erie Railroad than any other person in Owego, being the eldest daughter of Judge John R. Drake, who gave nine and six-tenths acres of land for Erie buildings and road, besides being an advocate and untiring worker for the project until his stroke of paralysis, from the time it was incorporated, April 24, 1832. The project was called visionary, impracticable; and at a public meeting one man said with oaths: "What would the — old fool be at next?" When the first passenger train made its appearance, this man stood by the side of his carriage on the hillside where Judge Drake had been driven, helpless from paralysis, but rejoicing in the realization of his long hoped-for enterprise. Many persons wished the station located in their part of the town, but Judge Drake's offer was considered best, and was accepted. It was this nine and six-tenths acres that were given "for the road, machine shops, road-houses, water-tanks, or for ground for buildings for the deposit of cars, lumber, and wood for the trade of the road, only, however, for purposes connected with the legitimate business of the New York and Erie Railroad; that it shall be used only for the purpose of erecting a building or buildings connected with the legitimate running or making of the road." All this has been forfeited by renting to private individuals land for buildings for the retail of wagons, sash and doors, salt, paint, hardware, grain, cement, bricks, boards, etc.

After the station (Erie) was in order, the Ithaca and Owego Railroad discontinued running to the river and turned to the Erie station. The land occupied by their track, which is now Central Avenue, from Fox Street to the boundary of land purchased of Judge Drake, with land on both sides of what had been the track belonging to G. I. Pumpelly, was covered with a large building for building bridges for the New York and Erie Railroad. After awhile the Company wished to purchase this land at their own price. Mr. Pumpelly thought it less than the value, and no bargain was made. Then began a gradual removal of anything beneficial to Owego from the conveyance of the land from Judge Drake—tracks taken up and switches removed, round-house taken down, shops taken away, men ordered to live in other places (I believe it is called changing the run of the men), until we cannot help asking why this should be.

The only remuneration received by Judge Drake was about fifteen hundred dollars, which was for a house and lot that had been contracted to a man, and had to be removed and another lot substituted. Not a pass for himself or family, not even honorable mention for his generosity. At one time the country was filled with a pile-driving craze, and for miles a long line of sticks in the mud looked like sentinels. Parties of engineers enlivened the towns, and that was all, until the New York and Erie Railroad came, and that, as if by magic, turned the attention of people in this direction, and instead of a journey of three days to New York we go in a few hours, and the horses drawing wagons of merchandise are things of the past, thanks to the efforts of the projectors of the New York and Erie.

Respectfully,

SARAH TINKHAM GIBSON.

#### PROGRESS ON THE WESTERN DIVISION.

The cost for clearing and grubbing on the original ten miles from Dunkirk was from \$50 to \$910 per mile, the total cost of that being \$4,151.

The contracts for building the road between Hornellsville and Mud Lake Summit, in Chautauqua County, fourteen miles east of Lake Erie, were let in January, February, and March, 1841. The road was piled for more than 100 miles, on the same plan as the work on the Susquehanna Division. Clearing and grubbing for graded road-bed through the woods cost \$800 per mile, and for piled road \$400. Stumps pulled in fields cost the Company \$1.25 apiece. Putting in the piles cost \$900 a mile where the piles did not exceed ten feet in length. Putting in sixteen-foot piles cost \$1,300 a mile on this section, the piles delivered costing three and three-quarters cents per lineal foot. To lay the superstructure, including wood and iron (a heavy H-rail), on a continuous timber bearing, was to cost \$800 per mile. The contract for the four miles between the terminus of the original ten miles east of Dunkirk and Mud Lake Summit was let in the fall of 1840. It was a difficult and costly section. The ten miles from Dunkirk were graded and finished for a double track in 1838. Rails were put down on this section in 1841.

Magee & Cook had the contracts from Hornellsville to Friendship, forty miles. Horace R. Riddle sub-contracted for twelve miles of this. Beyond Friendship, and to Nine-Mile Run, on the Allegany River, thirty-four miles, P. & H. A. Smith & Co. were the contractors. From Nine-Mile Run to Mud Lake Summit, the grading and the super-

structure from the Run to Lake Erie, were contracted by Cheesebrough, Hassard & Co. These contracts were let at New York in December, 1840, but were not closed until midwinter, 1841. The contractors took from one-third to three-eighths of the contract price in stock. The ten-mile section east of Dunkirk, which was graded in 1838, was contracted for without taking any stock, the contracts not yet having been in that form.

T. S. Brown was Chief Engineer of the Western Division from July 1, 1839, until November, 1840. From the former date until May, 1840, he had charge of the work on the ten-mile contract from Dunkirk eastward, at \$5 a day. November, 1840, he was appointed Associate Engineer, at a salary of \$2,500, and Commissioner of the Western Division, at \$1,000 a year. John H. Allen was appointed Resident Engineer, May, 1840. He had held the same place from March to July, 1838. His pay was \$4.50 a day while actually employed, "excluding Sundays." Silas Seymour was chief of surveying party, from 1839 to May, 1840, when he was appointed Resident Engineer, at \$4.50 a day. L. I. Stanciliff, William Ingalls, and W. E. Hodgeman were chiefs of parties in 1840, at \$3 a day. H. P. Benton was a surveyor at \$2.50 a day. Agents for right of way, adjusting land damages, obtaining subscriptions to stock, arranging for fencing, supplying timber, etc., in Allegany, Cattaraugus, and Chautauqua counties, were G. A. French, Walter Chester, and John Griffin.

The following donations for land for depots, water-stations, and other purposes, were made along this division of the railroad:

Village of Dunkirk, 425 acres; Cattaraugus County, 50,000 acres; Randolph village, 100 acres; Allegany Reservation, for depots at stopping places; Allegany City, one-quarter part; Hinsdale, 5 acres; Cuba, 3 to 5 acres; Wells-ville, 3 to 5 acres.

The Dunkirk donation was one-fourth of 1,700 acres of land owned by a company controlled by Walter Smith, which expected that the coming of the railroad would compel a town to rise on the shores of Lake Erie at that spot, which would be one of the greatest, if not the greatest, on the lakes. If the railroad had got to Dunkirk in time, the hopes of the land company might have had some chance of realization. In fact, the far-seeing men of that part of the State knew that all depended on the Erie Railroad connecting Lake Erie with the Hudson at the earliest possible moment, and it was to prompt and urge the men controlling the Railroad Company to every effort to hasten the completion of the railroad that the Land Company offered the handsome bonus of 250 acres of land in the heart of the coming city. That land was to be conveyed to the Railroad Company in fee by the land company that owned it, on the completion of the grading for a single track of rails from Lake Erie to the west line of Cattaraugus County by July 1, 1842. But it was nearly ten years after 1842 before the railroad was completed to Dunkirk. Then Dunkirk's opportunity was gone, and the Railroad Company did not get the land.

(From Emory F. Warren's "*Sketches of Chautauqua*," 1846.)

The speculations in real estate, which were at their height during this period, affected the village of Dunkirk more seriously than any other point in the county. The termination of the New York and Erie Railroad at this place pointed it out to those most deeply affected with the contagion as a spot on which operations of the kind might be carried on for awhile at least with success. The rage for corner lots and eligible sites was rife, and ran to so high a pitch that men of all pursuits — farmers, mechanics, merchants, lawyers, and even ministers of the gospel embarked upon the wild sea, without rudder or ballast, with nothing to propel them but a whirlwind that soon scattered them in broken fragments upon a lee shore. The result was a stagnation of trade, depreciation in the price of all kinds of property, the ruin and entire prostration of many families who had been in prosperous circumstances and on the high road to competence, and the hopeless bankruptcy of thousands of others.

The donation of one-quarter part of Allegany City to the Railroad Company was also prompted by the great hopes another sanguine city builder had of the advent of the railroad among the hills of Cattaraugus County. In 1837, Nicholas Devereux, of Utica, a large landholder by purchase from the Holland Land Company, believing that the spot would be an important point on the line of the Erie Railroad, selected 300 acres on the north side of the Allegany River, a mile southeast of the village of Allegany. The original survey of the railroad passed through the land. Devereux laid it out in streets and lots, and named the site Allegany City. The city was plotted in 1842. Then came the Company's failure and suspension of work on the railroad. When work was resumed the new survey was made, leaving the proposed city far off the line, and the city came to an end. Several large buildings had been erected, one of the largest being a hotel.

The Holland Land Company also had 50,000 acres of its best land ready to hand over to the Company, on condition. The condition, originally, of the 50,000-acre donation was that the railroad should be built from Dunkirk to the Genesee River within seven years from July 9, 1835, and the time was subsequently extended sixteen months. If the Company could have complied with all the conditions of these grants, \$1,000,000 at least would have been added to its treasury.

In September, 1841, on recommendation of Major T. S. Brown, Engineer in charge of that division, a change was made in the piled-road construction, and the distance of that kind of road was cut down to sixty miles on the Western Division. Major Brown did not approve of piled road-bed, except where the ground was swampy. This changed forty miles on the Western Division to grading.

#### FIRST RAILS FOR THE ERIE.

In many accounts that have appeared in newspapers and other publications from time to time, purporting to tell the story of early railroad building in this country, the statement has been persistently made that the first track of the New York and Erie Railroad was put down with what was known

as the "strap-rail," a rail of flat iron spiked to the surface of timber fashioned to receive it. This is an erroneous statement. On the first railroads constructed the strap-rail was used, because inventive genius had been but recently called to the consideration and development of railroad appliances and equipment, and experience had not yet demonstrated what was best needed for facility, safety, and economy in railroad operation. The inefficiency of the strap-rail soon became apparent, and engineering skill long busied itself in the finding of a substitute for it that would not only do away with its many defects, but would combine other characteristics to the great advancement of railroad science. This end was accomplished by the designing of what is known as the T-rail, an invention of Robert L. Stevens, but never patented, the nomenclature being due to the resemblance the rail has, as seen in cross-section, to the letter T. This is the rail, in modified and improved patterns — for there are scores of them — which is in universal use on railroads to-day. In early days a variation of it was called the H-rail.

If the building of the New York and Erie Railroad had proceeded without cessation from the time ground was broken at Deposit, N. Y., in November, 1835, the superstructure of the road would have been strap-iron spiked fast to timbers, but this work was abandoned, and no part of the road-bed was ready for the rails until the fall of 1840, and the necessity for strap-rail was gone. Although the T-rail was to be used, the science of railroad building had not advanced far enough to discover that these rails could be put down properly without the intervention of longitudinal wooden sills between them and the ground as a resting place to give them firmness and to insure greater smoothness in the running of trains. These sills were sixteen feet long, ten inches wide, and eight inches deep. Cross-pieces were fitted from sill to sill, about four feet apart, making a solid frame of each section of timber put down. The rails were fastened on top of the sills by spikes which were driven into the timber close to the rail, the one-sided projecting heads binding on the lower flanges of the rail, just as rails are secured to ties to-day, the ends of the rails resting in "chairs," a heavy iron platform with a groove into which the end of each rail fitted, and which clasped the flange with sufficient purchase to sustain somewhat of solidity and firmness at the joint, the chair itself being spiked to the tie. There were no "fish-plates" then — those stiff straps of iron which in these days of railroad building are bolted across the joints of rails, between the flanges, thus making of each side of a track practically one continuous rail.

Early in the summer of 1840, Major Thompson S. Brown, who was then Engineer of the Western Division, was notified by the Company to go to England with Henry L. Pierson, of the Board of Directors, and assist him in contracting for the first rails to be used on the railroad. The following copies of the "documents in the case" tell the story of this mission, and should settle forever the persistent statement in the periodicals of this day that the original rails on the Erie were strap-rails:

## NEW YORK AND ERIE RAILROAD COMPANY,

LONDON, August 7, 1840.

## Memorandum :

3,600 tons must be shipped by 5th October.

1,400 tons as soon after as convenient, 400 of this quantity to be delivered by 1st November, the other 1,000 any time before April ; more convenient to be shipped to Liverpool than Newport.

Price at Newport ..... £9 05s  
Ditto Liverpool, from Ruabon..... 9 15s

50 lbs. to the yard ; to be made by pattern. If the pattern proves to be less than 50 pounds to the yard, to be made 50 pounds by adding to the lower part of the stem ; if more than 50 pounds, to stick to the pattern.

Staffordshire iron out of the question.

It will be necessary that 450 tons be made each week for eight weeks to come, say :

Abersychon..... 280 per week  
Ruabon..... 170 do.

The quality to be similar to that of other rails, and the rails to be equal to any we have ever made.

(Signed) A. WILSON.  
H. L. PIERSON.  
T. S. BROWN.

(Specification for the Rails.)

10th August, 1840.

Rails for the New York and Erie Railway Company.

The rails to be of the form and dimensions exhibited by the drawing supplied, to be manufactured as follows : Good pigs to be selected and well refined ; the refined iron to be well puddled, and the puddled ball to be taken to the hammer and hammered, and then rolled into bars, say No. 1, or puddled bar, the bill, say, in about the proportion of at least two-fifths No. 2 bar and three-fifths No. 1. Puddled bar to be heated and then rolled into rails in such a manner that the lamina of the pile be horizontal throughout. The length of each rail to be 18 feet, except that 10 per cent. of the whole quantity may be made in lengths of 12 and 15 feet, the depth of  $3\frac{1}{2}$  inches, and the width of the top to be  $1\frac{3}{4}$  inches, the base  $3\frac{3}{4}$  inches, and the thickness of the middle of the stem 0.625 of an inch, as per drawing—the weight of the rails being in proportion say about  $51\frac{1}{2}$  lbs. per lineal yard. Each bar must be entirely free from warping, perfectly straight, and free from flaws and imperfections, presenting a uniform unbroken surface in every part (or so much as they are made in all these respects at the other first-rate manufactories in South Wales) The ends must be cut square. An inspector may be appointed by the purchasers, who shall possess the right of, and the manufacturer shall at all times give every facility for, inspecting the iron or rail during the process of making, and the said inspector shall have full power to reject such rails as do not conform to the drawing, or to the true intent and meaning of this specification, but it is hereby expressly stipulated that the said inspection and rejection shall be made at the manufactories and nowhere else.

Signed for the Managing Directors by

J. H. HAVENSHAW.

LONDON, 22d August, 1840.

To the Managing Directors of the British Iron Company :

GENTLEMEN : With reference to a memorandum of agreement for 5,000 tons of rails to be made by you for the New York and Erie Railway Company, dated 7th inst., and signed by Major Brown, Mr. Alex. Wilson and myself, in which it was stipulated that 400 tons of rails (in addition to 3,600 tons to be previously supplied), were to be

delivered by 1st November next, I have now to request that in lieu of this 400 tons you will supply 400 tons from your Staffordshire works, to be delivered with the utmost possible despatch in Liverpool, the pattern of which rails you have this day received from Buerly Hill. For these rails I agree on the part of the New York and Erie Railroad to pay £10 per ton, delivered in Liverpool ; terms of payment as already agreed for the remaining part of this order, the iron expected to be delivered the 1st day of September.

Very respectfully,

H. L. PIERSON.

Mr. Pierson had evidently received information from the Railroad Company that made haste in the delivery of the iron of importance. The matter was closed finally as follows :

Agreement made August 31, 1840, with Messrs. Palmer, McKillup, Dent & Company, and Fletcher, Alexander & Company, London, for the delivery of 5,000 tons of iron rails at Liverpool and Newport, England.

## LENGTH OF RAILS.

From Staffordshire Works 80 per cent.....	18	feet.
“ “ “ 10 “ “ .....	16	“
“ “ “ 10 “ “ .....	12 to 15	“
“ Ruabon “ 90 “ “ .....	16	“
“ “ “ 10 “ “ .....	12 to 15	“

Depth,  $3\frac{1}{2}$  inches ; width of the top,  $3\frac{1}{2}$  inches ; of the base,  $3\frac{3}{4}$  inches ; depth of the top,  $1\frac{3}{4}$  inches ; thickness of the middle stem,  $\frac{5}{8}$  of an inch. Weight—2,000 tons, 50 lbs. to the yard ; 3,000 tons, 55 lbs. to the yard.

Price per ton, from Staffordshire Works, 900 tons.....	£10
“ “ “ “ “ 900 “ .....	17 os. 6d.
“ “ “ Ruabon “ per ton .....	9 15s.
“ “ “ Abersychon “ “ .....	9 os. 5d.

Commission in England,  $2\frac{1}{2}$  per cent. ; in New York for agency, 1 per cent. ; in New York on disbursements,  $2\frac{1}{2}$  per cent.

Freight per ton from Liverpool, 10s. to 17s. 6d. sterling ; from Newport, 25s. to 27s. 5d. sterling ; from Bristol, 27s. 6d. sterling.

All American H-rail, laid down for shipment at Newport, South Wales.

Investment in stock, \$75,000, on which 6 per cent. interest is to be paid by the Company, until the completion of a single track from the Hudson River to Lake Erie.

The first rails for the Erie thus cost \$231,250, of which amount \$75,000 was paid in stock of the Company. The contract was made with the British Iron Company, represented by J. H. Havenshaw, the Managing Director, through Palmer, McKillup, Dent & Co., and Fletcher, Alexander & Co., commission men, and the first Erie agents abroad. The stock issued was for and upon the Eastern Division of the railroad, between Piermont and Goshen. The contract was signed, “in presence of H. A. Ince, 11 King's Arms Yard, London, I. Peachy, 8 Frederick's Place, Old Jersey, London,” by Henry L. Pierson, T. S. Brown, Edward Haley Palmer, Charles D. Bruce, and Christopher Pearce.

Mr. Pierson also contracted for 200 tons of rail chairs, weighing fifteen pounds each, at £7 per ton, and 100 tons at £7 5s. For negotiating this first transaction for the purchase of rails for the Erie, Henry L. Pierson was paid by the Company \$4,000. It was an unfortunate transaction for the

iron company, which accepted so large a part of its price in Erie stock at par. The stock was then held at about five dollars a share here. The iron company neglected to come in and take advantage of the reorganization of the Railroad Company in 1845, and lost its stock. So the first Erie rails were a bargain, and the English began early to have their disquieting experiences with Erie shares.

December 2, 1841, Walter Smith, of Dunkirk, completed a contract on part of the Huron Iron Company with the New York and Erie Railroad Company for 400 tons of cast-iron rails at eighty dollars per ton of 2,340 pounds. One half of the iron was to be delivered at Dunkirk, and the other half at Owego and Elmira. The iron company agreed to take 37 per cent. of the cost of the shares in stock.

#### DROVE THE FIRST SPIKE ON THE ERIE.

Abner Griffis, then a young man, and having been two years a member of the engineer corps on the North Branch Canal, a part of the public works of Pennsylvania, came to



ABNER GRIFFIS.

the Erie in July, 1840, to superintend the work undertaken by Camp & Co., between Piermont and Coffey's. "It was a hard time for money," wrote Griffis to the author in 1895, "and we had a serious time to get along. The Company had exhausted its funds on the grading, and the completion of the grading delayed us much. Great credit is due to H. C. Seymour and S. S. Post, civil engineers, for their masterly management. I have always said that they were the Fathers of the Road." No iron rails had been received yet, but some of the first cargo, it having come over from England as ballast in a vessel, was received at Piermont in October, 1840. Unofficially, and without much thought of its histor-

ical importance, young Griffis, "just to see how it would look," placed one of the rails upon a sill near the Pier, and spiked it down, thus having "driven the first spike" on the railroad that was eventually not only to unite the Ocean with the Lakes, but be one of the main links in the mighty chain of communication between the Atlantic and the Pacific. In 1846 Griffis became General Wood Agent of the Company, a place of much importance, as at that time wood was the sole fuel on the railroad, and the purchasing and distribution of it was entirely in Griffis's hands until 1848, when the railroad was opened to Binghamton. Then a second agent was appointed, the duties being more than one man could attend to. Griffis remained in the service of the Company until 1853. He died in Susquehanna County, Pa., in 1896.

George E. Hoffman began on the New York and Erie Railroad as Superintending Engineer of the Eastern Division in 1840, and had charge of the superstructure, of the machine shops, and of the purchase of locomotives and cars. August 20, 1841, he was made Division Engineer of the Central Division, with headquarters at Binghamton. While he was in charge of the superstructure, early in 1841, he became seized of a brilliant idea. This was that the wheels of the cars would meet with less resistance from the rails, and secure a better "bite" on them, if the rails were laid so that the wheels came in contact with only a small portion of their surface. He was so much convinced of the correctness of his theory that Camp & Co. were directed to lay a mile or two of the sills so hewn on one side that when the rails were spiked on they would be slanting, and present only about an inch of one edge to contact with the wheels. It required the passing of cars over that section of the road but a few times to demonstrate that while the wheels might be escaping more resistance from the rails, the rails were getting just as much grinding from the wheels as ever, and getting it all on a small portion of their surface, so that it would be but a short time before they were worn out and worthless, without having been of any corresponding advantage as factors in the economy of railroading. Engineer Hoffman's brilliant idea died almost as soon as it was born, and the slanting rails were quickly set square on the sills.

The engineer corps of 1840 was organized as follows: Chief Engineer, Edward Miller. Salary, \$4,000. Headquarters at New York. He had a secretary and an architectural and topographical draughtsman. Associate Engineer, Major T. S. Brown, Dunkirk. Resident Engineers: Eastern Division, H. C. Seymour, Piermont; Delaware Division, A. C. Morton, Goshen; Central Division, G. E. Hoffman, Binghamton; Western Division, T. S. Brown, Dunkirk. Salary of each, \$2,500 and expenses.

Silas Seymour was Major Brown's assistant. S. S. Post was assistant to H. C. Seymour. Hoffman had three assistants, Conover, Starkey, and Morrell. Starkey is now the Bishop of the Newark diocese of the Episcopal Church. T. C. Ruggles was assistant to A. C. Morton.

The members of the Construction Department in 1841, and their salaries, were :

Edward Miller, Chief Engineer.....\$3,000 per annum  
Samuel P. Lyman, General Commissioner..... 3,000 "

## EASTERN DIVISION.

H. C. Seymour, Division Engineer ... ..\$2,500 per annum  
A. Dallas Green, Resident Engineer..... 4 per day

## DELAWARE DIVISION.

A. C. Morton, Division Engineer and Acting Commissioner.....\$1,500 per annum

## CENTRAL DIVISION.

George E. Hoffman, Division Engineer and Acting Commissioner.....\$1,500 per annum  
A. U. Conover, Resident Engineer and Acting Commissioner..... 3.50 per day  
T. A. Starkey, Resident Engineer..... 3.00 "  
Jeremiah Rogers, General Agent..... 3.00 "

## SUSQUEHANNA DIVISION.

Thomas A. Johnson, Commissioner.....\$1,500 per annum  
C. B. Stuart, Division Engineer ..... 1,500 "  
T. G. Pomeroy, Assistant Engineer..... 3 per day  
J. Spaulding, Assistant Engineer ..... 3 "

## WESTERN DIVISION.

T. S. Brown, Associate Engineer and Commissioner,\$2,800 per annum  
Silas Seymour, Resident Engineer and Commis'ner 3.50 per day  
C. R. Paxton, Resident Engineer and Commis'ner 3.50 "  
L. S. Stancliff, Resident Engineer and Commis'ner 3.50 "  
L. D. Hodgman, Principal Assistant and Superintendent of Construction..... 3.50 "  
G. A. French, Land Agent..... 4.00 "  
Walter Chester, Land Agent..... 3.50 "

Each of the five members of the Western Division staff last named was allowed 50 cents a day for horse hire "while in use," and \$1 a day for travelling expenses "while employed."

The Commissioners of the several divisions had each under his charge and superintendence such agents as were necessary for the proper care and management of the works, for the protection of the interests of the Company dependent upon the performance of contracts, and for the security of property of the Company distributed along the lines.

But notwithstanding the show of great activity all along the line, it was in the air that the actual foundation for it was not as substantial as it might be, and rumors that there was irregularity in the management of the work by the Company's agents, engineers, and officers grew into positive charges, to which the New York Legislature at last turned its attention, and an investigation was ordered to be made of the Company's affairs by a committee of the Assembly. This was the first probing of an Erie management by the Legislature, and much capital was made of it by the enemies of the Company, who were many and vindictive. In May, 1841, Eleazar Lord resigned as President, although the railroad had so far advanced in building that it was on the eve of being

opened half way between Piermont and Goshen. The investigation did not uncover any serious wrong-doing; in fact, the reports upon it vindicated the management. Mr. Lord was succeeded by James Bowen.

## THE CARS BEGIN TO RUN.

"The Building of It" had progressed so well since the spring of 1840 that in the spring of the following year the coming of the locomotive had become a thing expected daily. The rails were laid as far as Ramapo June 17, 1841, and a locomotive, the "Eleazar Lord," was run from Piermont to Ramapo on that day. June 30, 1841, was the day on which the first train-load of passengers that ever travelled on the New York and Erie Railroad was carried. This was from Piermont to the heart of the Hudson Highlands. Among these passengers was President James Bowen, Vice-President Henry L. Pierson; Chief Commissioner Samuel P. Lyman, who had succeeded Eleazar Lord in that office in 1839; the Board of Directors of the Company; Chief Engineer Edward Miller; a number of guests from New York City, among them James Watson Webb, and citizens who were taken up at Piermont and other stations along the line.

The New York guests left that city at 10 A.M. of June 30th, on the steamboat "South America," and arrived at Piermont at 11.30, where the pioneer passenger train was in readiness. The trip through the historic region between Piermont and Ramapo was made in sixty-five minutes. In his very meagre account of this memorable excursion, General Webb, in the *New York Courier and Enquirer*, had this to say: "It is a well-ascertained fact that heavy trains can only be propelled by very heavy locomotive engines, and, of course, to sustain them, the most durable road is required. The heaviest locomotive ever built, as we are informed, is that which was used on Wednesday, and with which we passed up a grade of 60 feet to the mile, the distance of four miles, at the rate of ten miles an hour. This locomotive was the 'Rockland,' one of the three original locomotives that were received by the Company, in December, 1840. It weighed 38,000 pounds. At Ramapo the distinguished party was entertained at his mansion by the venerable Jeremiah H. Pierson, who had been a steadfast and unceasing friend of the Erie project from the start, and was one of the Directors. Men of all parties united in an interchange of congratulation on this truly auspicious occasion, and the day was one of pleasure without alloy. To this city it was a day which will long be remembered when even the names of those who proposed this great work shall have been forgotten."

The section of railroad thus opened was not put regularly in operation for business, and a delay that seemed unaccountable to the impatient public ensued in finishing the work to Goshen. The truth was that although the management had had the use of a great deal of money, the Company was in debt to contractors and the treasury was low. It had been semi-officially announced that the railroad would be opened to Goshen in July, but the rails on a large part of the section

between Ramapo and Goshen were not down yet when August came, and in that month James Seymour, one of the assistant engineers in the original survey of 1834, was employed by the Company to make a tour of inspection of the entire route and report upon it. This was to prepare a way for an application to the Legislature of 1842 for more aid, the State having already granted assistance to the amount of \$3,000,000. Seymour's report was most favorable as to the work the Company had done and as to prospects of the railroad.

#### THE RAILROAD OPENED TO GOSHEN.

At last, early in September, the Company was able to make the announcement that the Eastern Division of the New York and Erie Railroad would "be opened for freight and passengers on Thursday, the 23d of September." This long-expected event was made the occasion of a demonstration commensurate with its importance. Invitations had been issued to national, State, and municipal officials, judges of the Courts and members of the Bar, the clergy, financiers, the Chamber of Commerce and Board of Trade of New York City, the press, and many distinguished private citizens.

The steamboat "Utica," commanded by Captain Alexander H. Schultz, left New York City at 8 A.M. on the day of the opening. Among the passengers on board were Governor Seward and his civil and military staff; United States Senator Phelps, of Vermont; Congressman T. Butler King, of Georgia; Hugh Maxwell, Collector of the Port of New York; the Mayor and Common Council of the city, and members of the Chamber of Commerce and Board of Trade; prominent judges and lawyers; several eminent clergymen, Bishop Onderdonk of their number; and numerous persons conspicuous in business, society, politics, and journalism. Messrs. Chatfield, McKay, and Graham, of the legislative committee appointed to investigate the affairs of the Company, were guests on the occasion. The boat arrived at Piermont at 10.30 A.M., where the party was joined by Washington Irving, who had come over from his Sunnyside home.

The Railroad Company was represented by the presence of President Bowen, Vice-President H. L. Pierson, Chief Commissioner Lyman, Eastern Division Commissioner H. C. Seymour, Chief Engineer Edward Miller, and the Board of Directors, the members of which present were Charles O. Davis, Richard M. Blatchford, Simeon Draper, Jr., George Griswold, Aaron Clark, Charles Hoyt, Elihu Townsend, Goold Hoyt, W. C. Redfield (the original suggester of a railroad over the Erie route), S. W. Roberts, A. L. Sykes, and Jeremiah H. Pierson. Ex-President Eleazar Lord was also one of the party.

Two trains of four cars each were in waiting at Piermont to receive the guests, and the number filled them more than comfortably. Only two of these were passenger cars, all the Company had as yet, the rest being platform cars. The locomotive of the first train was the "Orange." The "Ramapo" drew the second train. The cars sat so low down on their frames, burdened as they were with human beings, as

to press the wood-work down upon the wheels, the flanges of which ground into it at every revolution. But in spite of this, which would be more than enough to start a panic among a railway excursion party to-day, the excursionists seemed to have had a most enjoyable trip from the waters of the Hudson to the meadows of Orange County, and they arrived at Goshen three hours after leaving Piermont, or about 2 o'clock in the afternoon. The townspeople, the people from the hills and farms and towns for miles around, were there to welcome them with music, flags, and guns, and tremendous cheers. The gathering at the station and about it numbered thousands of enthusiastic and wonder-stricken people. The guests were welcomed in a speech by Gen. George D. Wickham, of Goshen, an early and constant friend of the Erie, and there were hours of feasting and speech-making and toast-drinking. President Bowen made an address in which he said:

We have met to celebrate the completion of the first division of this great road. It is an event that well deserved this public celebration, for it insures the completion of the whole road, and thereby secures to this State and its commercial capital the trade of the great West. The advantages to result from this road are appreciated but by few; indeed, to many of our fellow citizens its existence is unknown, or if known, it is regarded by them as one of the thousand visionary speculations that had their rise a few years since, and, like them, it has ceased to be remembered but as another illustration of the folly and credulity of men. You who are here this day can testify that it has not been abandoned, and you can form some estimate of its ultimate benefits when you reflect that you have been transported from the bank of the Hudson through the counties of Rockland and Orange to the border of Sullivan in less than three hours.

In a few short years, if this road is completed, the fertile hills and valleys of Steuben and Allegany, of Cattaraugus and Chautauqua, now comparatively unsettled, will be covered with a dense population, and amidst these vast solitudes will soon be heard the hum of cities, the abode of prosperous, intelligent, and happy souls. The great Appian Way will become the highway of nations, and their boundless products will be poured through this channel into the lap of our State, enriching it and adding to its power and greatness.

Speeches were made by Governor Seward, James Watson Webb, Hugh Maxwell, Eleazar Lord, Senator Phelps, and others. Governor Seward's speech was in straight-out advocacy of State ownership of internal improvements, including railroads, and a declaration that railroad fares should not be greater than one and a half cents per mile. A grand feast was served to the distinguished guests at Major Edsall's hotel near the depot, the hotel now known as the Occidental. The trains left Goshen at sundown on their return trip to Piermont, and the steamboat "Utica," on which a collation was served, arrived at New York at 10.30.

#### THE COMPANY'S ROLLING STOCK IN PAWN.

While officially the survey of the Western Division of the route was in charge of Ellet, the work was done by George C. Miller, a young engineer, but a year or two past his majority, who ran the line from Binghamton to Dunkirk, and drew all the maps and profiles of the rugged country through which

it passed. He completed the work early in the fall of 1834, and returning to Owego, accompanied a delegation of prominent citizens of that place, among them the Pumpellys, to Auburn for an interview with William H. Seward, then a coming man in State politics, and who, as State Senator, had persistently opposed the New York and Erie Railroad project. Mr. Miller explained the result of his engineering work to Mr. Seward, and spoke so encouragingly, from a practical standpoint, of the enterprise, that the future great statesman became interested in it, and ever afterward used his influence in its behalf. Mr. Miller served his apprenticeship in civil engineering on the Morris Canal, in New Jersey, long before railroads were occupying the attention of the profession. He afterward entered the service of the Mohawk and Hudson Railroad Company, the first railroad chartered in the State of New York. He worked on the drafting of the plans for the now historic locomotive, the "De Witt Clinton," which hauled the first train-load of passengers on that pioneer railroad, in November, 1831. From the Mohawk and Hudson Railroad Mr. Miller went to the Camden and Amboy Railroad, then building between those two places. In 1834 he joined the engineer corps that was to make the survey of the Erie route, under Judge Wright.

When the letting of the contracts for the superstructure of the railroad were advertised in 1840, Mr. Miller was in New York. He and his brother bid on the section mentioned, and secured the contract. The work was delayed by the slow progress of grading, and they could not get it done. George E. Hoffman, the Company's Engineer of Construction, requested them to relinquish it. It was taken by other contractors. Soon after the railroad was opened to Goshen, the Millers, in 1841, put in a claim against the Company for \$17,000, which the Company refused to pay. The contractors threatened to sue, and as there was no doubt but that they would obtain judgment, which was something the Company could not well afford to have known just then, a curious compromise was made by the Company with George C. Miller, who had taken an assignment of his brother's interest in the claim. The Company could not pay the cash, so, in consideration of Miller taking \$1,500 of the claim in stock—which would insure the Company \$3,000 in State stock, Company stock being worth almost nothing, and State stock par—the Company agreed to give Miller a bill of sale for its rolling stock, the railroad having in the meantime been opened between Piermont and Goshen, as security for the payment to him of \$500 a month until his claim was cancelled; also agreeing to the selection of Talman J. Waters, a former Secretary of the Company, as receiver of certain of the Company's moneys, to apply on the Miller claim. This was, perhaps, the most singular business transaction in the history of railroads, for through it the New York and Erie Railroad Company had actually assigned its rolling stock to a creditor, and placed itself in the hands of a receiver, without a single process of law or court. The rolling stock was redeemed and the receiver discharged, however, after a few months of this paying of the Company's debt on the installment plan.

Mr. Miller became a citizen of Goshen, and married a daughter of Henry G. Wisner. Although engaged in business in New York, he continued his residence in Goshen, where he died in 1896, aged 86.

In 1841 the following donations of land for depots and water-stations were made on the Eastern Division:

Cornelius J. Blauvelt, at Piermont, 99 acres; Eleazar Lord, at Pascac, 1 acre; Ramapo Manufacturing Company, at Ramapo,  $2\frac{1}{3}$  acres; Hudson MacFarland, at Monroe Works, 1 acre; Messrs. Townsend, at Chester,  $2\frac{1}{4}$  acres; Gen. G. D. Wickham, at Goshen,  $2\frac{1}{2}$  acres.

#### HOW THE ERIE PAID CAMP & CO.'S CLAIM.

Camp & Co., so the record shows, accepted \$8,100 of the amount of their contract in the Company's stock, but the record does not tell why they did so. Their reason for taking the stock makes another entertaining story of those pioneer Erie days.

By the terms of the contract the Company was to have the grading done as Camp & Co.'s work progressed, so that the timbers and rails could be laid and the material carried on a construction train from Piermont, as the line of work was extended. The contractors found, however, that the grading of the road had not been completed even the ten miles west of Piermont. The Company could not keep its part of the contract, and the contractors were obliged to hire teams to haul and deliver their timber along the line of the work. The timber was hemlock, sawed 8 x 10. It was purchased at Honesdale, Pa., 150 miles distant, and brought to the work by the only available means of transportation, which was by the Delaware and Hudson Canal from Honesdale to Rondout, and thence by the Hudson River to Piermont. The sills were sunk in trenches dug for them, and the cross pieces mortised down upon them.

By the time the first ten miles of the road were finished by Camp & Co., the grading was advancing westward, but the progress was slow. The Company's funds were low, and the prospects looked dark. All payments for labor were made in scrip issued by the Company, and holders of it had to submit to a heavy discount to have it cashed. The Company was in arrears to its contractors, and Camp & Co. were heavily in debt to local merchants for supplies furnished their men. At last, the Company having broken it in various ways, they threw up the contract, and demanded a settlement. The Company's affairs were then virtually in control of the Chief Engineer Hezekiah C. Seymour and his assistant, S. S. Post. It was the common saying of the day that "Seymour ran the Directors, and Post ran the road." The contractors claimed that they had been compelled to do a large amount of work not called for in their agreement, and the Company disputed the claim. Seymour sent Engineer Hoffman to make an inspection of the work done by Camp & Co. all along the line. The contractors instructed Abner Griffiths to go over the work and report an estimate of what it showed as being due them.

Contractor Camp and Abner Griffis subsequently met Seymour and Post at the Merchant's Hotel, in Cortlandt Street, N. Y., to discuss the claim. Griffis's estimate was that there was due Camp & Co. from the Railroad Company \$24,300. Engineer Hoffman's estimate was several thousand dollars less than that. The Company's representatives refused to pay the claim as Griffis made it out to be. Camp was in need of money, and anxious to get away to carry out other plans he had formed. He said he would leave to Griffis the decision as to what amount he ought to receive.

"Then," said Griffis, "if you take a dollar less than I have made out your claim to be, you will lose money."

This determined Camp to insist on every dollar of the claim. He declared to Seymour and Post that unless his claim was paid forthwith he would have recourse to the law to aid him in recovering it. A lawsuit was just the thing that the Railroad Company least desired in the situation it was then in. If Camp should sue, others would do the same, and it was more than likely that all would obtain judgments. A judgment against the Company at that time meant a sale of the road to satisfy it. The projectors of the great enterprise, the Western Railroad (now the Boston and Albany), which Boston capitalists were then pushing from that city as its eastern, to Albany as its western, terminus, to connect with the Erie Canal and the railroads soon to connect Albany with Buffalo, were watching the New York and Erie Railroad with a jealous eye, and leaving no means untried to cripple and delay it. The financial straits of the Erie gave the Boston people hope that they would at no very distant day have an opportunity to purchase that road and its franchises and put an end to it then and there. The New York and Erie people knew this, and they knew that in the event of Camp or any one else securing a judgment for so large a sum against the Company, the Boston Company's opportunity might come. So Seymour and Post did not dare to risk the outcome of a lawsuit, and they agreed to Camp's terms.

"Griffis's estimate is a robbery of the Company," said Seymour, "but we will pay it to save trouble. You will have to raise the money for us, though, Mr. Camp. We haven't got a dollar."

This was a novel and startling declaration. The idea of a man being expected to raise money himself to enable his debtors to pay him what they owed him might well have surprised Contractor Camp or any other man in his situation.

"Well, gentlemen," said he, "isn't this rather a new principle in finance?"

"Perhaps," replied Seymour, "but it is an easy one. All you have to do is to subscribe for \$10,000 worth of Erie stock. That will entitle us to receive \$20,000 from the State. Then we will pay you \$14,000 in cash out of that \$20,000, and the \$10,000 of stock will stand for the balance of your claim. More than that, we will have \$6,000 in cash left for the Company's use, and we need it."

Camp at last agreed to take one-third of the claim in stock, and thus "raised the money to pay his own claim." And thus, also, did the State of New York settle many other

claims against the New York and Erie Railroad Company, in those early days, to leave a snug balance in cash each time in the hands of the Company's managers.

After settling his affairs on the line of his late contract, Contractor Camp left New York State to go to Michigan, where he believed there was a great future for men in his business. But he never reached his destination. He left Buffalo on the steamboat "Erie," which went down in a tempest on Lake Erie, August 9, 1842, with nearly every soul on board. Camp was among the victims of the ill-fated vessel.

#### WHY THE RAILROAD WENT TO MIDDLETOWN.

The Western terminus of the New York and Erie Railroad was at Goshen not quite two years, but if the Company had adopted what was known as the "Slate Hill route" from that place, Goshen would have continued to be the end of the road at least six years, and the distance between the Hudson and the Delaware would have been shortened ten miles, and the Company would have saved more than \$325,000; but Middletown and Otisville would have been left off the line. The Slate Hill route extended from Goshen, in a southwesterly course, through the towns of Wawayanda, Minisink, and Greenville, and along the eastern base of the Shawangunk Mountains. It was run by the engineers in one of the surveys supplemental to the original survey of 1834. As has been stated, the Shawangunk Range was one of the great obstacles to the thoroughfare for the railroad that had been found between the Hudson and the Delaware, and no feasible pass was discovered through the range except along its western face, beginning a mile beyond Otisville. This route required miles of deep rock cutting and earth excavation before a bed could be made for the railroad. The Slate Hill route would have carried the road around and away from all those great difficulties, but there were several reasons why the Company did not adopt it. One of these reasons was that the prospect of financial aid, which was greatly needed, was more promising at Middletown than it was along the Slate Hill way. The great obstacle to the southwestern route to the Delaware Valley was, however, that to escape the Shawangunk Mountain difficulties of construction the railroad would have to be carried over the State line into New Jersey, and pass for a mile or more through that State to the valley at Carpenter's Point. The Company's charter especially provided that the railroad must be confined to New York State territory. To take advantage of the Slate Hill route, the Company would have been obliged to secure a change in its charter by consent of the Legislature, and the Company was an anxious applicant just at that time for legislation of far greater importance to its future than was the privilege of building its road through a corner of New Jersey. So the present course from Goshen west, with its capricious windings and turnings, and big cuts and heavy grades, was the only one that could be chosen; and it was the only practical one, at any rate.

## THE HEAVY HAND OF MISFORTUNE.

Work along the line, under the contracts of 1840-41, was kept going after the opening of the railroad to Goshen, but it was evident that the affairs of the Company were passing beneath a shadow. The story of the efforts the management was making to dispel the shadows, and prevent an impending crisis, is told in detail in the chapter on James Bowen's administration in the "General History." The colossal error that was fatal to the future of Erie was made before the opening of the railroad to Goshen: the refusal of the management to unite the Erie with the Harlem Railroad, by constructing a branch to that railroad from a point opposite Piermont, by which the Erie would have gained entrance to New York City, and secured its terminus there at what is now the Grand Central Depot of the New York Central Railroad. ("Administration of James Bowen," pages 52-56.) The people of Middletown, N. Y., viewed with keener apprehension the faltering state of the Company's operations, perhaps, than those of any other locality on the route, for the railroad's western terminus was then but nine miles distant from that place, and at a rival village. The grading between Goshen and Middletown was partially done, but its progress to completion was slow and uncertain. It was still in that condition when the contractors all along the line were notified in November, 1841, that the financial status of the Company was such that if they continued with their work it would be greatly to their risk. The contractors, however, had faith that the Legislature of New York would come to the aid of the Company at the session of 1842, and many of them kept at work, accepting the Company's obligations for future payment.

The situation of the work along the line at the close of 1841 was this: 410 miles of the road were under contract. The grading between Goshen and Middletown was nearly finished. Forty miles from Callicoon to Deposit, the Company announced, could be ready for the rails in thirty days, although not a stroke of work had been done on that section since 1837! The Susquehanna Division, 117 miles, was two-thirds constructed (on piles), exclusive of iron rails. Sixteen miles of the road from Dunkirk, east, was being prepared for superstructure, and rails were on some part of it. Superstructure was being laid between Olean and Cuba. Half of the rest of the Western Division was graded. \$4,500,000 had been spent so far in the work, and \$200,000 worth of roadway had been ceded gratuitously.

But the Legislature did not come to the Company's succor. There was barely a dollar in the treasury, and default was made to the State on interest due April 1, 1842, and the Company placed itself in the hands of assignees. There was due to contractors and for material \$600,000. Work on the construction of the road ceased the entire length of the line, and for four years all was silent and abandoned on the great work in which so many millions had been sunk. The property of the Company was advertised by the State Comptroller to be sold under foreclosure December 30, 1842. At

a special session of the Legislature in August, 1842, friends of the Erie succeeded in having the sale postponed six months.

At the time the assignment was made, there was not a dollar of the State stock in the hands of the Company unsold, and \$439,000 of it was pledged to banks, contractors, and others for \$385,908. And the funds of the Company on hand, according to the report of Treasurer Pierson, March 11, 1842, were:

In the Mercantile Bank (New York).....	\$73 46
In the Bank of Commerce.....	40 74
Cash on hand with the Treasurer.....	87 13
Total.....	\$201 33

An encouraging prospect, indeed, for the completion of the railroad to Lake Erie!

During 1840, 1841, and 1842, the following amounts had been paid to the leading contractors: Manrow & Higginbotham, Susquehanna Division, \$383,473.16; Cheesebrough, Hassard & Co., Western Division, \$166,400; John A. Tracy & Co., Western Division, \$66,350; P. & H. A. Smith, Western Division, \$103,900; Magee & Cook, Western Division, \$273,300; Tracy & Cartright, \$24,290.43; Carmichael & Stranahan, Eastern Division, \$82,744.44 — a total of \$1,100,458.03.

## THE RAILROAD FINISHED TO MIDDLETOWN.

Pending the proceedings in the proposed sale of the railroad, renewed efforts were made to resuscitate and rehabilitate the Company and prevent the foreclosure. James Bowen retired from the management, and was succeeded by William Maxwell, of Elmira, and an entirely new Directory. The Middletown Association was formed through the efforts of Samuel Denton, Thomas King, William Robinson, and others, and twenty-five citizens of that village made an agreement with the Company to complete the nine miles of railroad between Goshen and Middletown, paying for the work themselves, the amount to be reimbursed to the subscribers to the fund from the earnings of the railroad on that section. This work was done accordingly. The iron necessary for laying the track was taken from the original ten miles laid east from Dunkirk, as that part of the road was to be abandoned. This iron was transported from Dunkirk, via Lake Erie to Buffalo, thence over the Erie Canal and the Hudson River to Piermont, and thence by the railroad to Goshen. This iron was part of a lot purchased from the Huron Iron Company in 1840. The extension to Middletown was completed by the end of May, 1843, and opened for business June 7th. Then Middletown became the Western terminus of the railroad, and remained such three years and a half.

"The condition of the road in use at that time," the report of the Company for 1849 declared (the first report that had been made in four years), "was such as hardly to permit a train of cars to pass over it with safety. \* \* \* Miles of road standing on piles, and high trestle-work in a decayed

state, which had to be filled up, requiring in many cases very expensive culverts, with long and heavy embankments. The locomotives, cars, buildings, and machinery in shops were entirely inadequate to the business. The road between Goshen and Middletown, seven miles in length, brought into use in a partly finished state, and belonging to an association of gentlemen of the latter place, was held by the Company under an agreement to run it. This had to be purchased and put in order, like other portions of the road. There had been expended for these objects, and deemed absolutely necessary, the sum of \$695,421. The Company at that time (and for some time thereafter) were entirely dependent upon chartering such steamboats and barges as they could procure to do the business connected with their ferry."

During William Maxwell's administration, legislation was obtained postponing the sale of the railroad two years—to April 1, 1845. Horatio Allen succeeded Maxwell as President, in the fall of 1843, and made strenuous but futile efforts to lift the Company out of its troubles and resume the work of construction. ("Administration of Horatio Allen," pages 67 to 73.) In the fall of 1844 Eleazar Lord was for the third time called to the Presidency of Erie.

#### ONE WAY TO COLLECT A DEBT.

The route of the New York and Erie Railroad was located through several of the finest of Orange County's farms between Goshen and Middletown. With the exception of Adrian Holbert, the owners of those farms gave right of way for the road, some of them also being among the contributors of money toward insuring the extension of the line to Middletown. Part of the Holbert farm was a wide stretch of low-lying meadows, a mile or so west of Goshen. There was no other course for the railroad to follow, and it was obliged to pass across the Holbert meadows or have its western terminus indefinitely at Goshen. The Company, therefore, came to Farmer Holbert's terms, and agreed to pay him his price for right of way through his property.

The meadows were fertile, and on the surface fair to view, but when the contractors came to the making of a road-bed upon them, they found that the fair surface was but a marsh, concealing alarming instability of foundation. The land was so low that to equalize the grade the railroad was to be carried over it on piles driven in the ground. A contract was made with Farmer Holbert to furnish the piling necessary to establish the grade across his meadows. The pile-driving proceeded satisfactorily until the workmen were well afield, when suddenly the bottom seemed to drop out of the land, and the road-building became a repetition, on a small scale, of the experience the contractors had had on the Chester meadows. For a time it appeared as if Adrian Holbert would be unable to fulfil his contract for supplying the piles, but he was of the pushing and determined sort, and hired farmers in all the surrounding towns to cut and deliver to him the necessary timbers. The result was that he put them on the ground within the required time, and the road was built

across his meadows. This piece of road-bed is to-day a solid, high embankment, apparently as ancient as the hills that rise on the right of it; but when the rails were placed upon it, in 1843, they rode across the meadows on the tops of piling in some places several feet above the surface. These piles are still there, but were long ago hidden by the present solid road-bed, which is the artificial filling in of the space between the piles and the surface of the meadow.

The railroad was completed to Middletown in June, 1843. Preliminary to opening it for business between that place and Goshen, June 7th, one of the four locomotives then in the service was attached to a flat car and started from Goshen as an inspection train. Conductor W. H. Stewart had charge of the train. John Brandt, Jr., was the engineer. Superintendent H. C. Seymour, Gen. G. D. Wickham, and others were on the car. When they reached the Adrian Holbert place they were surprised to see a rail fence, four rails high and three lengths long, built across the track there, and Farmer Holbert himself lying on a cross tie, with his arms and legs tightly clasped about it. The engine stopped, and the railroad men went forward and demanded an explanation of this placing of an embargo on pioneer travel over the New York and Erie Railroad. Farmer Holbert, who is remembered as a man in whom stubbornness predominated, explained matters in decided terms.

"This railroad can't run cars through my farm," said he, "until the Company settles with me!"

The Railroad Company, it seems, had not paid for the right of way across the Holbert fields, and there was an unsettled claim for timber Holbert had furnished. Having failed to get any satisfactory arrangement with the Company, Farmer Holbert resolved to take heroic measures as the best means to bring it to terms. So he had built the fence across the track as a signal that there was no thoroughfare there, and, rightly surmising that it would be no obstacle to the progress of the locomotive, had thrown himself in the way of it, feeling certain that the engineer would not proceed over his dead body.

Remonstrance, appeal, threats, had no effect on Farmer Holbert, as he lay stubbornly clutching the railroad tie ahead of the locomotive.

"Tell the Company to come here and settle!" he cried. "Then I'll let business start up again."

The engineer ran his engine to within a foot or two of Farmer Holbert, and set it to blowing off steam to the full extent of its power, with the expectation that this would frighten him away. "But," as the late W. H. Stewart recalled the incident for the writer, "he didn't scare worth a cent." Then the railroad men laid hands on him and essayed to remove him by force, but it required three of them to do it, and then only after a severe struggle. "A madder man you never saw," Mr. Stewart said, "when at last we got him loose from the tie, put him on board the car, and took him on to Middletown with us."

It is scarcely probable that the Erie of to-day would recognize as effective methods of the kind Farmer Holbert adopted

to enforce the settlement of a claim against it, but the Erie of that day recognized them, and without delay. Before Farmer Holbert had perfected his arrangements to proceed again with his barricading of the track, an agent of the Company called at his farm and settled with him in full.

Such is the account of the Holbert incident as the late W. H. Stewart recalled it, in conversation with the author, and as Jesse A. Holbert, a son of the stubborn farmer, says he remembers his father telling it. Wilmot M. Vail, of Port Jervis, who was a boy at Goshen then, and remembers being present on the occasion, says that the incident occurred after the railroad was opened to Middletown, and that the cars that Holbert attempted to blockade were freight cars that were being taken to Middletown. Holbert, Mr. Vail says, had simply thrown a few rails across the track, but did not prostrate himself before the cars, which knocked the rails off the track, and went on their way without further molestation.

It was Adrian Holbert's fate to meet a frightful death on the rail, almost in sight of the spot where this incident occurred. One day, in 1884, he was driving across the track of the Pine Island Branch of the Erie Railway, near Goshen, his wife being in the carriage with him. The crossing was a dangerous one, and before the carriage cleared the track it was struck by the locomotive of a train that came along just then. Mr. Holbert was so badly hurt that he lived but a short time. His wife escaped with slight injuries.

#### AFTER THE COLLAPSE.

After the collapse of the Company in 1842, there was left along the line of the railroad, especially in the western part of the Susquehanna and the Canisteo valleys, thousands of dollars' worth of timber which had been furnished by people living along the road for the purposes of its construction. Chief among these were white oak, chestnut, and pine, which had been cut and manufactured for piling, cross-ties, rails, and sills. The failure of the Company had left nearly every farmer in the western part of the State, within ten miles of the railroad, a creditor to a greater or less amount, of the payment of whose claims there seemed to be no prospect or hope. The value of the piling alone which had been delivered along the railroad between Binghamton and Hornellsville amounted to a loss of \$500,000. Work was not resumed on this part of the road for six years after it was abandoned, during which time reorganization had been effected, the Company placed upon a substantial financial footing, and the railroad completed and in operation between Piermont and Binghamton. During this time, also, the fallacy of building a railroad on piles had been demonstrated, and all the money expended upon it, amounting to nearly \$1,000,000, was entirely wasted. However, if the plan had been practicable, and if, when work was resumed, it was the intention to use the piling thus left uncared for along the road, such a thing would have been impossible, for of all the pieces of timber originally placed along the Company's grounds, at such expense and labor, but very few

sticks remained. They had been used for firewood, for fence-posts, and for building purposes, and put to whatever other uses they could be adapted by the people living convenient to the storage places. Thousands of dollars' worth of dressed stone, which the Company had provided for various purposes in the construction of the road, and hundreds of thousands of feet of dressed lumber which were left in a similar state of confusion and neglect, had also disappeared in the interval, and to this day evidences of this material may be seen in the dwellings of people of more or less consequence in that part of the State.

#### RESUMPTION OF WORK UNDER ELEAZAR LORD.

The property of the Company was to be sold under foreclosure April 1, 1845. Nothing but resumption of work somewhere on the line could prevent the sale. President Lord announced that \$6,000,000 would be required to finish the work. In December, 1844, the Company, presuming on favorable legislation at the session of the New York Legislature of 1845, revived a contract made in 1841, for fifteen miles of grading and mason-work on Section 1 of the road, between Middletown and the Shawangunk Summit, and put men to work upon it.

The situation of the work at this critical period in the Company's affairs may be seen from the following extract from a statement issued by the Company November 1, 1844:

The actual outlay upon this work, including the value of donations for roadway and other purposes, may be reasonably estimated at five millions of dollars; consisting of stock of the Company somewhat less than one and a half millions; debts, chiefly settled by obligations at five years, about six hundred thousand dollars; and three millions furnished by the State. The donations of land furnished for the roadway, depots, stations, and other purposes are deemed to exceed in value the loss incurred on the sale of State stock, and the damages to unfinished work, consequent on suspension and delay. Those best acquainted with the subject, with the amount of labor and materials employed, and the prices paid, deem the work to be well worth all that it has cost; and are of opinion that were it now to be commenced, taking into view the unavoidable loss of time required in such a case, a greater amount or value of results could not be accomplished for a less sum. Much more than half of the work necessary to prepare the entire line of the road for the rails has been performed. The work is well done. No part of it requires to be altered, and it is believed to be susceptible of no material improvement. Fifty-three miles of the road on the Eastern Division are in prosperous and profitable operation. On the Delaware, east of Deposit, between 30 and 40 miles are graded. Between Binghamton and the Lake, 150 miles are prepared for the superstructure, some of which is laid. The timber for the superstructure is provided for about 250 miles. At the Western termination the rails are laid on about 10 miles.

The statement, in its declaration that "no part of the work required to be altered," demonstrated that President Lord had not changed his mind in regard to the use of piles as a roadway, 110 miles of which had been driven along the Susquehanna and Western Divisions, although Chief Engineer Thompson S. Brown had condemned such roadway, and it

had to be entirely abandoned when work on those divisions was resumed.

But the tenure of operations, even on the small beginning of 1844, depended on future legislation, and, to a great extent, on the outcome of the agitation for a change of the route from central Sullivan County to the Delaware Valley—which now, if occupied at all by the railroad, would have to be occupied on the Pennsylvania side of the river—and of the route between Deposit and Binghamton. This question of change of route brought about such serious differences of opinion between a majority of the Board of Directors and President Lord, who opposed the proposed change, that he resigned in the spring of 1845. Legislation that placed the Company on a sound financial basis, by cancelling the debt it owed the State (\$3,000,000), authorizing it to reorganize—the assignment having been lifted in 1844, it having been declared irregular by the New York courts—and to issue bonds, and postponing all foreclosure proceedings six years, had been secured, however, during this third term of Eleazar Lord as President.

#### REAL WORK, AT LAST, UNDER BENJAMIN LODER.

Eleazar Lord was succeeded by Benjamin Loder, one of whose first acts was to appoint Major Thompson S. Brown Chief Engineer.

*(From Eleazar Lord's "Historical Review of the New York and Erie Railroad," published in 1855.)*

Before any new track was laid west of Middletown, he (Major Brown) set himself to the task of bringing about a change of gauge, so as to reduce the width from six feet to four feet eight and one-half inches. Such a change would involve the expense of relaying the track on the Eastern Division, and furnishing new cars and engines to suit, but the "benefit" would be realized in the remaining 400 miles of road. All the civil engineers in this country, except H. C. Seymour, those associated with him, and perhaps three or four others, and nearly all of those in Europe, were in favor of four feet eight and a-half inches as the width of gauge. That was the reigning and popular theory, and, therefore, it would be wise to change back to that. The six-foot gauge was a feature in the system of management which, in order to meet speedy and complete success, must be promptly and wholly abandoned and condemned. The Directors, of course, sympathized with the Major in his views, in opposition to Mr. Seymour, then Superintendent of the Eastern Division. A formal controversy ensued, and was persevered in, at no inconsiderable expense of time and money, for some two years, and ceased only when the resistless, experimental and practical demonstration, established by Mr. Seymour, after years of experience and observation as Engineer and Superintendent, convinced and controlled the minds of a majority of the Directors, notwithstanding that they were violently prejudiced against him, and as violently prejudiced in favor of the pretensions and supposed competency of the Major."

Pending the resumption of work on the construction of the railroad beyond Middletown, the science of railroad building had made great steps forward, and far-seeing engineers had begun to question the wisdom of a gauge of track six feet

wide on a railroad that was destined to be the common receptacle of traffic from numerous railroads then building, whose gauge was to be a uniform one of four feet eight and one-half inches, and it came up for serious consideration by the Erie Board of Directors. Hezekiah C. Seymour, who had come to the service of the Company in 1838, and who was the personal friend of Eleazar Lord, had advocated and insisted on the six-foot gauge when the subject came up for discussion and settlement in that year, and he had been warmly seconded by S. S. Post, his assistant. Eleazar Lord had also reasons of his own for desiring the adoption of that gauge ("Second Administration of Eleazar Lord," pages 39-40), and it was adopted. Chief Engineer Brown having been in England, where the subject of narrowing all railroads to the four feet eight and a-half inch gauge was the all-absorbing one among constructing engineers, and where the change was meeting with favor, advocated the change of the Erie's gauge on the section of railroad already finished, and the laying of the remainder of the track to correspond. As above stated by Mr. Lord, the discussion of the important question occupied much of the time of the management, and, although a great majority of the ablest civil engineers of the country decided that the new departure would be one of undoubted wisdom (a fact that Mr. Lord cynically quotes as being something to condemn it, so long as H. C. Seymour did not approve of it), the Board voted at last to retain the broad gauge, a short-sighted decision, and one that cost the Company more than \$25,000,000 before it was forced to the conclusion that Major Brown's contention was right, and the track was narrowed to the gauge he had advocated nearly forty years before.

The question of the changes in the route of the railroad was still unsettled when President Loder became the head of the Company, and active operations were confined to the short section of the road between Middletown and the Shawangunk Summit. The decision of the Commissioners in favor of the changes in the route was made August 25, 1846, and that may be set down as the date on which actual operations on the line were resumed after the dismal collapse of 1841-2.

The work on the Otisville section was vigorously prosecuted, and the railroad was opened to that place, sixty-two miles from Piermont, November 1, 1846. Construction from Otisville to the Delaware River was immediately begun, and proposals for grading 130 miles between Port Jervis and Binghamton were advertised for. This work was let to twenty-two contractors, and they were compelled to take one-third of the amount of their contracts in stock. They began work at numerous points in New York State and in Pennsylvania, and soon an army of 7,000 men and 3,000 teams was engaged on the construction of the road between the Shawangunk Mountains and Binghamton. Contracts were also made for all the iron rails required for the road as far as Binghamton. The grading of the branch from Newburgh to Chester was begun in the spring of 1846.

## IMPROVING A WATER SUPPLY.

"During the interval of leisure, before they (the Company) were at liberty to commence their improvement on the Shawangunk Ridge," wrote ex-President Eleazar Lord in 1855, in his "Historical Review," "their attention was called to an important improvement in respect to the arrangement for supplying water to their engines at Middletown, near Goshen. The story as currently told, comprised the following particulars: When the road was opened to that place some years before, a convenient and ample supply of water was furnished by means of a pump at the side of the track. About that time some unfortunate speculations in land took place. One of the purchasers of an elevated piece of land nearby gave a mortgage on his purchase for an amount greater than could afterward be obtained for the premises. Being threatened with a foreclosure, he conceived the idea of forming an artificial pond on the side hill at an elevation somewhat above that of the top of an engine, filling it with rain water from the surface of the higher grounds, and selling it at a round price to the Railroad Company for a living spring, whence the water required for the engines might be conveyed in pipes, and a saving made of the expense of pumping. He formed his plan and carried it into effect. Having excavated a basin of considerable capacity, and lined it with clay to prevent a loss of surface water conducted into it, and having by means of slight ditches filled it to the brim with water, he hurried off to the city to have an interview with the officers of the Company. No sooner had he explained the economical advantages to be gained by purchasing his spring, and announced that if paid immediately he would take the moderate price of \$2,500 for it, than it was perceived that the purchase would be a great improvement, as it would be a change from the use of a pump, and therefore an improvement on what had been done before. The subject was of the greatest importance, since, without water, the engines could not move, and if they stood still the road would not be worth the cost of construction. The Major (Chief Engineer Brown), the President (Mr. Loder), and others repaired to Middletown to examine the spring, which was about 200 rods from the railroad. They were satisfied by the inspection of the spring. The bargain was closed, and a deed of the spring was taken. The \$2,500 was paid; iron pipes, at the expense of about the same amount, were laid from the spring to the railway; an elevated tank was prepared; the valves were opened. The contents of the basin were exhausted in a few minutes. No further supply appeared, and the use of the original wooden pump was necessarily resumed. But the end was not yet. Some good-natured citizen shortly after informed the Company that the land they had bought with the dry spring was covered by a mortgage on the whole lot; that the part which they had bought for \$2,500 had not been released, and would soon be sold, together with the iron pipes, in case the latter were not instantly removed. The responsible officers of the Company, having relied on the friendly feelings and good faith of the mortgagor, and having

forgotten to inquire whether or not any incumbrance existed on the premises, and the affair having become somewhat notorious, sent up a competent force and had the pipes exhumed and placed beyond the reach of the sheriff."

## RAILROAD BUILDING IN THE SHAWANGUNK MOUNTAINS.

In building the railroad as far as Otisville, the original plan of superstructure was adhered to—the laying of rails on longitudinal sills, supported by countersunk cross-pieces. The new era of railroad building began with the work from Otisville westward. It had been demonstrated to railroad engineers that the placing of sills between the rails and the ground was foolish, unnecessary, and detrimental, as well as costly. No sills were used beyond Otisville, and rails were placed upon cross-ties as at the present day, except that at the joints they rested in chairs instead of being firmly held by the continuous joints of to-day. This abandonment of primitive methods in railroad building developed a new industry along the line of the railroad: the getting out and supplying the Company with ties. These were cut in the woods contiguous to the railroad, and delivered to the Company's agents at stated points. The railroad between Otisville and Port Jervis passed down the west side of the Shawangunk Mountains, through a country where, up to that time, the land had been considered barely worth the taxes paid upon it. This applied particularly to the territory on either side of the railroad, covering an area of perhaps a mile wide and twelve miles in length. It was a thick growth of chestnut and oak, of small size. Wood was the fuel used then by the Company for its locomotives, and this stretch of Shawangunk country was particularly desirable as a possession. Its timber furnished the best of firewood, and its convenience to the railroad rendered the obtaining of it easy and economical. When the agent of the Company, however, attempted to purchase this hitherto worthless land, it had assumed a sudden value. Tracts that could have been purchased for three dollars an acre were held at fifty dollars, and land that the tax-assessor had in vain sought an owner for, was claimed by some of the most prominent farmers in the Neversink Valley. Instead of purchasing to any large extent of the Shawangunk land, the Company bought the cordwood of its owners, to be cut by them and piled along the road. East and west of this stretch of woodland were some of the richest farmers in Orange County. During this time the laborers employed by the contractors on this section of the road were Irish. On Sunday hundreds of them swarmed through the adjacent country, despoiling the orchards of apples, digging the farmers' potatoes, stripping the fields of their crops, and helping themselves to everything which struck their fancy. Resistance on the part of the farmers was useless, and during the year the railroad was built down the Shawangunk Mountains, the farms of that part of the country adjacent to the work were almost as bar-

ren of good to their owners as if the land had been stricken with famine.

One feature of the road on the Shawangunk Section was a rock cut three miles east of Port Jervis, and a wall of solid rock, of which the mountain was entirely composed, was necessary to be cut through before the road could reach the Neversink Valley. The rock was on the farm of a wealthy old Dutch farmer named Van Fleet, who lived nearby.

The Company had already paid him well for right of way across his property, the whole extent of ground over which the railroad passed not being worth fifty dollars, and the contractors did not suppose that he would charge them much for cutting a way through the solid rock on the edge of his farm; but he was asked how much it would be. His reply was:

"Vell, the rock is not vort much. I von't sharge you much for dat."

The workmen reached the point where the excavation of the rock was to be made, and the contractors put their men upon it. They were soon waited upon by the farmer, who told them they would have to settle before they went on with the work. After much argument with the contractors he was finally induced to set his price.

"Vell, dan," he said, "it is vort one hundred dollars an acre."

It was too late to have appraisers appointed to condemn the property, for the railroad must be completed to Port Jervis by a certain time, and the old farmer stubbornly insisting upon his price, there was nothing to do but pay him for it. Of the area of rock necessary the least he would sell was two acres, the price of which was more than he could have received for his best meadow land.

The making of this cut through the rock was not only expensive in itself, but the consequential damages were considerable. The flats, one hundred feet below the cut, were occupied by residences and buildings of farmers. In blasting, large pieces of rock frequently were hurled on and among them, sometimes crashing through the roofs of houses and buildings, and now and then alighting in the fields among the cattle with disastrous results. All these had to be paid for, and the farmers' bills were never light.

A correspondent of the *New York Herald*, December 18, 1847, wrote as follows of the Erie work at that interesting period: "Only to think of a force fully as large as our army that stormed and took the Mexican capital, and still holds it, battling away here among the rocks, with picks, spades, hoes, hammers, axes, and all manner of instruments, not excepting even the celebrated 'excavating machine,' patented by Otis F. Carmichael."

#### THE SHIN HOLLOW WAR.

President Loder being extremely anxious to have the road through to Port Jervis by January 1, 1848, the contractors were offered handsome bonuses to hasten the work. The

laborers, newly arrived in this country, were mostly of that class known as "Wild Irishmen," and all of them had the factional hatreds and belligerent traditions of their native land still as alive in their breasts, and as ready to prompt them to action, as they were among the bogs and on the green turf of Erin. It happened that those two bitterly opposed factions, the Far-downers and the Corkonians, were largely represented among these laborers. This was particularly the situation on the section of the work of which Shin Hollow was the centre.

Shin Hollow was, and is, a considerable stretch of flat land lying between the western face of the mountain range and the foothills, four miles east of Port Jervis. The old Kingston and Milford turnpike, which crossed the mountain from Finchville, passed through Shin Hollow, and the course of that long-forgotten highway is yet visible there.

The locality has been known as Shin Hollow longer than the oldest inhabitant can remember, but what the origin of that name was no one can tell. The grading for the railroad required the making of a cut a mile or more long through the western side of Shin Hollow, and the cut had necessarily to be made so deep that when the railroad was done and the cars were running, the surface of the Hollow was so far above the tops of the cars that, although the county maps showed Shin Hollow as on the line of the railroad, passengers in the cars who might be on the watch to see what sort of a place it was, could see nothing but a forest-clad mountain front on one side, and a blank rise of earth on the other; and that is all they can see of Shin Hollow from the cars to-day. Not that there is much to see of Shin Hollow, even if one should be curious enough to find his way to the top of the cut and take a look at the spot. There is nothing there but a lonely opening in the hills, with a couple of melancholy farms occupying some of the space, and a discouraged-looking house or two squatting on them, seemingly wondering what they are there for. But fifty years ago, when the railroad was building through that way, Shin Hollow was a lively place. It was the headquarters of Carmichael & Stranahan, contractors for making a big section of that costly part of the railroad. They had in their employ about two hundred men, a force composed largely of the Corkonian element of the Irish, but comprising also a small contingent of quiet, plodding, unobtrusive Germans, familiarly and derisively known to the Irish as the "dom Dootch." The contractors had a big store at Shin Hollow. Wood & Shute had another one, and for awhile Blizzard & Clark ran one. Thomas O'Brien was the sub-contractor who was cutting the way for the railroad through the great wall of rock a mile west of Shin Hollow, a passage known then as the Blue Rock Cut, but which modern nomenclature has transformed into Black Rock Cut. He had as foreman one James O'Brien, who labored to increase his income by keeping a boarding-house at Shin Hollow. Carmichael & Stranahan also kept a boarding-house. So did a German named Volmer. All those buildings were rude but commodious shanties, the boarding-houses having lofts, or galleries, around the sides, which were held up by posts, and

where the boarders slept. Besides these structures there were many smaller shanties scattered about in the Hollow, and also on the side of the mountain, in which certain laborers "boarded themselves," or where luxom "widdies" sought to turn an honest penny by catering to the railroaders in the ways of pork and "peraties," or a kindly "drop of the craythur." Thus the Shin Hollow of fifty years ago might have boasted of a steady population of at least 200, and, on occasion, of a floating population of a hundred or so more.

In searching for the impelling cause of the Shin Hollow War, fifty years after it occurred, with no written record to guide him, the historian is confronted with the testimony of tradition, and the uncertain memory of a few who were among those living in the locality when the noisy riot occurred, and who live there still. The pay of railroad laborers on the Shawangunk Mountains section of the New York and Erie Railroad had been fixed at seventy-five cents a day. One story is that the Corkonian sons of the Green Isle came first upon the work, and established a precedent by accepting that pay as sufficient and satisfactory. Later, the Shamrocks, or Far-downers, began to respond to the call for men, and their rich and hot blood soon rebelled at seventy-five cents a day, although Jim O'Brien is reported to have declared, in an early burst of confidence, that "Divil a wan o' dthem was afther earnin' dthe likes o' dthat in six days on dthe ould sod, bad 'cess to dthem!" Another version is that the trouble began with the boarding-houses at Shin Hollow "skimping" the men in their rations, and with the contractors' clerks cheating them in settling, and overcharging them at the stores for their supplies. Still another account fixes the responsibility of the Shin Hollow War on the hiring of the Germans by the contractors, and putting them on the work. But the weight of evidence is that the number of Far-downers after awhile became much greater along the line than that of the Corkonians, and that at last the Old Adam got the better of them, and they felt that they would not be true to their traditions if they did not rise up and break an occasional Corkonian head.

At any rate, about the middle of January, 1847, the Far-downers began to be aggressive. Fights with groups of the other faction of their countrymen became of daily and nightly occurrence, anywhere between Otisville and Shin Hollow. Saturday, January 30th, a large body of Far-downers formed near the top of the mountain, and marching to a section of Carmichael & Shanahan's contract, attacked the Corkonians there with clubs and stones, wounding several severely, and compelling the gang to throw away their tools and take an oath that they would leave the work. The following Monday a still stronger force of the belligerent Far-downers, many of them armed with guns which they had in some manner got possession of, proceeded to another part of Carmichael & Shanahan's section, surrounded the laborers, fired a volley over their heads, and declared that they would riddle them with shot if they did not quit work. The Corkonians threw down their tools. Their foes then drove them before them to Shin Hollow, where they forced the contractors' agent to

pay the men off and discharge them. In this assault many of the assailed were knocked down and badly beaten, and it was said, and is still believed by many, that one man was killed in the mêlée.

After dealing thus with that gang of Corkonians, the triumphant Far-downers marched, with fierce yells and dire threats, upon that part of the work where the Germans were employed, vowing that they would show the "Dootch" no mercy. They were not prepared for the reception that awaited them. The Germans, although few in numbers, had cool heads among them, and they received the confident Irish with such vigor and determination that the latter were soon flying from the field, bearing with them two or three of their number whose ardor was not proof against the sturdy blows of the resolute Germans.

These raids of the Far-downers created a panic among the other laborers, and work was almost suspended along the mountain. The Germans were the only ones that did not lose a day. The Irishmen who had been driven from their jobs still loitered about Shin Hollow. All remained quiet along the line after the affray until the evening of Wednesday, February 3d. The rumor had spread that the Corkonians had resolved to return to work. Early on the evening of February 3d, firing of guns was heard at frequent intervals in the woods at different points between Shin Hollow and the Hog-back, as the summit of the Deerpark Pass was called, and through which the railroad was being constructed. These shots seemed in the nature of signals of some kind, but they ceased at last, and everything was quiet. The Corkonians at Shin Hollow had climbed to their bunks in the boarding-house lofts, and the stores and shanties were closed for the night.

It is to be presumed that Shin Hollow was wrapped in profound slumber when, at midnight, the Far-downers, in a body one hundred strong, and armed, marched into the place, divided their forces, and proceeded half to one boarding-house and half to another. The inmates of the houses were ignorant of the presence of their enemies until they were awakened by the smashing of windows and doors, the discharging of guns and pistols through the breaches thus made, and the wild yells and cries of the assailing party. The Corkonians seemed to have been but poorly armed, for they made but a weak resistance to the attack. At O'Brien's boarding-house, where most of the men were in the lofts, they hastily pulled up the ladders by which they climbed to their bunks, and huddled down, as they supposed, out of harm's way. The Far-downers swarmed into the place and quickly beat into subjection such of the inmates as were to be got at. The men in the lofts refusing to come down and meet with similar treatment, the attacking party hunted up axes, and quickly chopped down the posts that supported the lofts, and brought the latter and their frightened occupants crashing into a heap on the floor. After hammering the Corkonians until there were few unbroken heads, or noses that were not bloody, the rioters made their victims swear, at the gun's muzzle, that they would quit that locality forthwith.

A similar scene was enacted at the other boarding-house, although there it was not necessary for the rioters to chop down the posts to make the objects of their wrath "come down." One Corkonian, who was especially obnoxious to the Far-downers, was shoved into a big Dutch oven, and imprisoned and left there by his captors with the cheering assurance that they would return when they got time, build a fire under the oven, and bake him. This gang of rioters compelled every one of their victims to get on his knees and swear that he would leave the place, after which he would be helped to his feet by a vigorous kick from the heavy-brogan of some lusty Far-downer.

Having dealt to their satisfaction with their Irish fellow-citizens, some one of their number raised the cry:

"To hell wid dthe Dootch!"

This was a signal for a rush to the German quarter of Shin Hollow. Race hatred was augmented by the recollection of the victory the Germans had won over the Irish a few days before, and the latter dashed forward to a new attack upon the Germans, confident this time of inflicting severe punishment upon them, and forcing them to fly from the Hollow. But the Germans, being more calculating and methodical than their Irish fellow-workmen, had suspected the possibility of such an outbreak as this, and were prepared for it. They had a leader named Wisler. He had quietly obtained guns and ammunition from Port Jervis, Otisville, and Middletown. The uproar made by the attack on the Irish quarter had aroused the Germans, and they were drawn up in line in the darkness, under orders from Wisler, ready for action when the wild Irish detachment came whooping and yelling to the assault. The Irish were within a few yards of the German quarter, when just ahead of them a streak of fire punctured the darkness, and they felt and heard shot rattling upon and about them. They halted in confusion. Before they could recover and make a second rush, another streak of fire showed them a momentary gleam of determined Teuton faces, and the Irish forces broke and fled toward the woods. The Germans pursued them, and captured one prisoner, who had been filled with shot from his neck to his heels.

The most intense excitement prevailed at Shin Hollow the rest of the night. The Far-downers bombarded the place from the woods, whither they had fled from the Germans. The contractors now concluded that it was time to take some action toward putting an end to the troubles, for their work was being seriously delayed by the unsettled condition of affairs. A man was sent to Otisville with instructions to despatch a message to Sheriff Welling, at Goshen, by the train that left Otisville early in the morning. The sheriff with a posse arrived at Shin Hollow during the forenoon, but being unable to quell the riot or arrest any of the rioters, he called on the Deerpark Militia to aid him. Every town maintained a company of militia in those days, and Capt. Peter Swartwout summoned his company, and led it from Port Jervis to the scene of the Shin Hollow War. In responding to this call to duty, the Deerpark Guards made their rendezvous at Hilferty's Hotel, at Carpenter's Point, and marched

up the old Finchville road, under the high rocks, and, as High Private M. C. Everitt says, "If there had been three or four old women, with their aprons full of stones, on top of those rocks, and had bombarded us just at that time, I think they would have routed us."

There were twenty-five or thirty men in the company, most of them subsequently prominent in the affairs of Port Jervis and the surrounding country, but only two or three of them surviving. Among the volunteers, besides Mr. Everitt, were Charles St. John, afterwards Congressman, and Charles S. Ball, son of Dr. Ball, a man of more than local celebrity. Young Ball was one of the engineer corps then in charge of the railroad work west of Port Jervis. As the company approached the scene of the disturbance they were divided into squads by Capt. Swartwout, for the purpose of reconnoitring and investigating the shanties that were scattered about in the woods. About this time a man came out of one of the shanties and ran for the better security of the woods. As he did so, Private Ennis, another of the Erie engineer corps, stepped forward from the ranks, and bringing his gun to his shoulder, cried out:

"Shall I shoot?"

Capt. Swartwout, true to the dignity of his office, and resolved on maintaining discipline, smote Ennis a resounding blow with the flat of his sword across the seat of his trousers, and shouted:

"Fall in here and wait for orders, or I'll shoot *you*!"

This the Captain could not well have done without confiscating for the moment some comrade's gun, for on leaving Hilferty's he had let High Private Everitt take the rifle he himself had started with, Everitt having no gun of his own, the Captain being content to march with his sword alone. Ennis fell back into the ranks without shooting, and the campaign was resumed. The Shin Hollow combatants, frightened at the advance of this formidable army of military, moving as it did with such amazing tactics, shut themselves up in such shanties as they could get into, or fled to the woods. The Deerpark Volunteers, nothing daunted, scoured the locality, and took many prisoners. These, the Company re-forming in double line for the purpose, were marched to the office of the paymaster of the contractors, where they were paid off and promptly discharged, and warned to leave the neighborhood. For fear that they would not leave, and that more trouble would ensue, two of the Deerpark company, Samuel Smith and "Case" Caskey, were left on the grounds with a cannon to maintain the peace, and the remainder of the company returned home, covered with some glory, but not enough to suit a number of the volunteers, among them Charles S. Ball. He was "spoiling for a fight," and actually did fire at one man, but whether disastrously or not was never known. Smith, his comrade, and the cannon remained a week or so at Shin Hollow, when, it being apparent that the trouble was over, they returned home.

"If the rioters had only known it, though," says High Private Everitt, in recalling the incidents of the war for the writer hereof, "they could have had a great deal of fun with

that battery of artillery, for neither Smith nor Caskey knew any more about loading or firing a cannon than if he had never seen one."

This somewhat Falstaffian detachment of militia was accompanied by Oliver Young, Esq., lawyer and influential citizen. He addressed the rioters as the Deerpark Guards advanced, admonishing them that they were in serious contempt of the law, and that the whole power of the State would be called upon to suppress and punish them if necessary. Some of the prisoners taken were turned over to the Sheriff, who escorted them to Goshen, where they were given a hearing and heavily fined. They were then taken back to Shin Hollow, and the contractors settled with them and discharged them.

This did not entirely quell the riotous spirit of the Irish. A squad of militia was kept on the grounds for nearly a month, by which time the ringleaders were found out, summarily discharged, and warned out of the region. These guards were from Middletown or Goshen. Unlike the Port Jervis Militia, they had sought the seat of war clad in their dress parade uniforms, which included white trousers and fine boots. They were transported on a car run from Otisville, in charge of Conductor W. H. Stewart. He stopped the car about a mile from the scene of hostilities, and unloaded the "troops." The ground was covered with snow and slush to the depth of several inches, through which the dapper home guards were forced to march, much to their disgust and discomfort. But peace was gradually restored, and the Shin Hollow War passed down into history as an engagement in which much blood was shed, but no lives were positively known to have been lost, although legend insists that the Germans killed three of the Irish in that night attack, and buried them in the woods.

#### THE LOCOMOTIVE CROSSES THE NEVERSINK.

During 1847, the thirteen miles of railroad between the Shawangunk Summit and Port Jervis were completed. President Loder had divided the road into sections, for the completion of which he had fixed certain dates, the finishing of the work on such dates being provided for in the contracts, a failure being attended with cost to the contractor. Thus, December 31, 1847, was the day on which the locomotive was to enter Port Jervis. The extraordinary character of the work to be done may be imagined from a brief description of some of it. At the summit of the mountain, near Otisville, was a rock cut upwards of fifty feet deep in the deepest place, and extending with some interruption over a length 2,500 feet. The contractor for this work was Thomas King. A little more than a mile beyond was a heavy embankment, to be supported on the lower side by a retaining wall more than fifty feet high, and several hundred feet in length. This was followed immediately by a heavy thorough cut in the rock, 1,000 feet long and thirty feet deep. Half a mile further on was another enormous embankment, to be supported on the lower side by a wall fifty feet high. These

sections were in the hands of Charles Story. At Shin Hollow, about half way between Otisville and Port Jervis, was a cut upwards of three-fourths of a mile long and more than forty feet deep, in the contract of Carmichael & Stranahan. Beyond that was an embankment upwards of fifty feet high, and 1,500 feet long. Immediately adjacent to this embankment was another enormous thorough cut in rock upwards of fifty feet in depth.

In those early days of railroad building such an undertaking as this cutting of a roadway along the rocky side of that wild mountain pass was something that required more courage, endurance, and perseverance than a work many times as formidable would in these days of advanced constructive science; but the work was pushed forward with all possible facility by the contractors, under the persistent spurring of Silas Seymour, the Constructing Engineer.

The rails that were to be put down from Otisville west were the first American T-rails for which any actual order for extensive use of them had ever been given. Up to that time England supplied this country with rails. These for the Erie were rolled at Scranton, Pa., and were delivered to the Company by means of the Delaware and Hudson Canal Company's gravity railroad and canal. ("Administration of Benjamin Loder," pages 90-91.)

The 31st day of December, 1847, came. The rails were all laid between Otisville and the east bank of the Neversink River, and were ready on the Port Jervis side of the river. But the trestle bridge was not yet completed to carry the rails across and make connection so that cars could be run to what was to be the Port Jervis, or Delaware, station. People from the "Port," and from all about, had flocked to the aid of the railroad laborers for days, helping in the laying of rails and the construction of the trestle. Daniel Hilferty, who kept a hotel at Carpenter's Point, threw open his house to the workers, and refreshments and good cheer of all kinds were free. The big-hearted boniface said afterward that the demand for these was so great that railroad mud from the feet of thirsty and hungry helpers covered his floors three inches deep by the time the trestle was completed.

A locomotive and two flat cars, loaded with railroad men and citizens, left Otisville in the afternoon, to be the first train to run into Port Jervis on the stipulated time. Knowing the situation, bets were freely made at Otisville and Port Jervis that the train could not get to its destination in time. This construction train arrived at the east end of the unfinished trestle, and added its complement of men to the crowd that was already straining every nerve to get the bridge in shape to carry the locomotive and flat cars over. It was late at night when the woodwork was ready, and the rails had yet to be put down. At a few minutes before eleven o'clock the track was all down with the exception of a gap of one rail, and that rail had to be cut to fit the space. Whether it was a rail of extraordinary toughness, or whether the excitement and suspense were so great that the workmen and the bosses lost their heads, it is impossible to say, but it is known that it took them one hour to cut the rail and spike it to its

place. Then, with a tremendous shout, all of the crowd that could do so clambered upon the flat cars, and the locomotive put on steam, crossed the Neversink, and ran to the Port Jervis terminus of the road, arriving there just seventeen minutes before the advent of January 1, 1848. What few people there were in the hamlet of Port Jervis were on the spot, and were wild with joy and excitement. Silas Seymour was among those who rode in on the construction train. The uproarious crowd lifted him from his feet and carried him on its shoulders to the Union House, on the canal, nearly a mile from the railroad, and there tendered him all the honor and homage that shouts and revelry, continued long into the night, could be made to be the sponsor for. The hotel was kept by S. O. Dimmick. It is there yet, and has the distinction of being the scene of the first celebration of the completion of the New York and Erie Railroad between the Hudson and the Delaware, a celebration none the less hearty and historic because it was impromptu and informal, and unofficial.

The late William H. Stewart had charge of the construction train as conductor, and the engineer was "Dutch John" Zeigler, who had been Eleazar Lord's coachman, but who was promoted by Mr. Lord, during his control of Erie affairs, to the railroad service, where he culminated as a locomotive engineer. The locomotive was the "Eleazar Lord."

The official opening of the railroad to Port Jervis was on Thursday, January 6, 1848. The *Sullivan County Whig*, a newspaper then published at Bloomingburg, near Middletown, thus described the features of the occasion, in its issue of January 14, 1848:

"On Thursday last the Directors and a party of invited guests took an excursion upon the New York and Erie Railroad from Piermont to the limit of its extension on the Delaware, a distance of seventy-four miles. This was the first train of cars that had passed over the road from Otisville to Port Jervis.

"On arriving at the latter place the party, numbering over an hundred, sat down to a sumptuous dinner prepared at the hotel of Samuel Truex, after which the President, Benjamin Loder, made an address, in which he congratulated all interested in the successful completion of that portion of the road, notwithstanding the great obstacles that had to be overcome. He spoke of the proximity of the road to the States of Pennsylvania and New Jersey, and invited their citizens to share in its advantages and benefits. Mr. Loder then proceeded to give a brief history of that portion of the road just completed, which he considered by far the most difficult and expensive portion on the entire route to Lake Erie. He read from a memorandum prepared by Mr. Silas Seymour, Superintending Engineer, the following interesting statistics: In the construction of the road from Otisville to Port Jervis, a distance of thirteen miles, 317,000 pounds of powder had been consumed, 210,000 cubic yards of solid rock and 730,000 of earth excavated, 14,000 yards of sloping wall constructed, 300,000 days' labor bestowed upon it by 3,000 laborers, and

30,000 days' labor by horses. He further stated that from this point to Binghamton, a distance of about 130 miles, nearly every section is being worked, and a large portion will be ready for the superstructure by the month of June or July; and before the first of January next, unless unexpected difficulties shall occur, the Directors intend to have the cars running to Binghamton, if not further.

"The section between Otisville and Port Jervis has been mainly constructed since June last. The President having determined to complete the work by the 1st of January, 3,000 laborers were sent over their road gratuitously.

"The contractors, Carmichael & Stranahan, C. Story, and Thomas King, deserve credit for the energy and enterprise with which they have fulfilled their contracts. The grading alone between Otisville and Port Jervis cost about \$30,000 a mile. The rails were manufactured at the Lackawanna Iron Works, in the Wyoming Valley."

The progress of the Erie at this time inspired the poet of the *New York Herald*, in a "carrier's address" for January, 1848, to this burst:

Get off the track;—five hundred pounds of steam  
To each square inch don't make a trifling team.  
Patent greased lightning only could begin  
To run beside this iron horse and win.  
Whizz! how she travels! coppers hot, each one!  
We may get "busted," but we'll have our fun.  
Hands off the brake!—Chain down this valve! Hurra!  
We're through by daylight! Yes, Sir-ee! We are!

Get off the track! Whe-w-w! Hear that whistle scream!  
Hard down the brake! There, quick! Shut off the steam!  
Jump! Turn that switch! Chuff! Choof! Ch-e-o-u-gh! Hurra!  
We're through by daylight! Yes, Sir-ee! We are!

Hundreds of people from the surrounding country thronged the village. Cannon boomed, and bunting floated in the breeze. The hotel mentioned as being the scene of the official feast was called the New York and Erie Hotel, and was on the southwest corner of Pike and Main streets. The Union House, on the corner of Main street, near the Delaware and Hudson Canal, was the scene of another jubilation in honor of the event. This hotel was kept by Samuel O. Dimmick, still living at Port Jervis. Silas Seymour, the Constructing Engineer of the railroad, gave Mr. Dimmick an order to cater to all who might participate in the celebration at his house—gave him *carte blanche*, in fact, and told him to send his bill in to the Company and it would be paid. The night of January 6th there was a great "spread" at the Union House. Mr. Dimmick was ill, and not able to be present during the evening. Next morning it was reported to him that his wine cellar was empty; that there was not a drop of anything in the bar to begin business with for the day, and that there was scarcely a whole piece of crockery left in the hotel. The opening of the railroad had been evidently celebrated by the opening of everything openable in the house; and the first "smash-up" as a result of the railroad was the smash-up of things at the same place. The

hotel was replenished, and when Mr. Dimmick saw Mr. Seymour he explained matters, and said he thought a bill for \$600 would be about right, "and not any too much at that." Seymour said he guessed that would be about right.

"Make it out as 'for supplies to the Railroad Company,'" said he.

Mr. Dimmick made the bill out in that way, and it was paid.

Sam Truex, at the New York and Erie House, had many guests, also, as a result of the railroad celebration, besides his official ones, and they enjoyed themselves with the contents of his house in about the same manner that the Union House's guests had with the stores of that hostelry. Truex asked Dimmick what he had charged the Company. Dimmick told him, and Truex put in a bill for the same amount, independent of his bill for the official entertainment. But Truex had had no order from the Company to keep open house on the occasion, and his bill was returned unpaid. And it is unpaid to this day.

When the Erie was thus opened to Port Jervis, it had seventy-four miles of railroad, ten locomotives, nine passenger cars, seventy eight-wheel freight cars, seventy-seven mail and baggage cars, one machine shop (at Piermont), and employed 182 men in its transportation department. There are now forty-two miles of track in the Port Jervis yard alone, and a single freight train frequently consists of sixty cars. To construct the road to Port Jervis from Piermont had cost \$3,276,678.

#### THE STORY OF A LITTLE RAILROAD AND A BIG BRIDGE.

On preceding pages ("Administration of Benjamin Loder," pages 89-90) has been told how the further progress of the railroad was threatened by the opposition of the Milford and Matamoras Railroad Company, a local corporation of Pike County, Pa., which had been chartered in 1848, and how that opposition was removed by the Erie agreeing to construct and maintain forever a bridge across the Delaware at Matamoras, Pa., near Port Jervis, arranged for a railroad and a wagon way, and to build a track across the bridge and from it to the Erie track at Port Jervis, to give the local railroad connection there; this so that the Erie might be permitted to change its point of entrance into Pennsylvania, as fixed by the Legislature in 1846, to one more suitable and economical, three miles further up the Delaware, at the present place of crossing, the change being vital to the Company, as without it the railroad could not have been progressed sufficiently to get it finished in time (May 14, 1851) to save the Company's charter and property from forfeiture and foreclosure.

The truth of history compels the statement that if the New York and Erie Railroad Company was moved to this compromise in a spirit of good faith, that spirit soon became weak, for, although, according to the provisions of the

act of the Pennsylvania Legislature of 1848, the bridge at Matamoras was to have been completed for use by October 1, 1852, ground had not only not been broken on the work in all that interval, but the Railroad Company had sought the intervention of the courts, and exhausted all its persuasive powers before the Pennsylvania Legislature, in efforts to abrogate its agreement for building the bridge, but had failed everywhere. A provision of the act granting the change of route was that if the Company neglected to build the bridge according to the provisions of the act, it should pay a tax of one dollar on each passenger passing over the road into Pennsylvania until enough money was raised to build the bridge and the connecting railroad. The Railroad Company having at last exhausted the patience of the Pike County people, measures were set afoot by them to enforce the act. Then the Company began work on the bridge, and it was completed in 1854. It cost \$80,000. This bridge had a history that connects it closely with the career of the Erie.

The Milford and Matamoras Railroad Company was organized in January, 1854, but no work was done toward the building of a railroad until many years afterward. The project lay dead until 1870.

The Pennsylvania Legislature granted a charter in 1868 for a railroad from the Lehigh coal regions to the Delaware River at Matamoras. This charter was secured by individuals who organized, in 1869, the Lehigh and Eastern Railroad Company, for the purpose of building such a railroad. This alarmed the Milford and Matamoras Railroad Company, whose charter was on the eve of lapsing, and it revived itself, reorganized, and went to work with some activity toward making its long-neglected railroad. Contracts for grading the road were about making, in the winter of 1870, when, in March of that year, the Erie bridge at Matamoras, which had been waiting twenty years for the railroad to come up from Milford and cross it, was destroyed in a gale. This did not disturb the Milford and Matamoras Railroad Company, though, for under the act of Legislature granting the Erie Company the right to enter Pennsylvania at Sawmill Rift, that Company was bound to maintain a bridge at Matamoras forever, under penalty of forfeiture of all its rights in that State, including right of way. So the Milford and Matamoras Railroad Company notified the Erie Railway Company, which was then under the management of Jay Gould, that the Matamoras bridge was down, and that the Erie would be expected to put a new one there without delay. The Erie Railway Company made no move to rebuild the bridge, and after waiting until July, a committee of directors of the Milford and Matamoras Railroad Company went to New York and had audience with Gould. Fisk was also present. The visitors inquired of Gould as to his intentions toward the bridge.

"Bridge?" said Gould, as if surprised. "What bridge, gentlemen?"

"Your bridge across the Delaware at Matamoras," the committee's spokesman replied.

"Our bridge across the Delaware at Matamoras?" said

Gould, still apparently in a quandary. "Fisk, have we a bridge across the Delaware at Matamoras?"

"We did have a bridge across the Delaware at Matamoras," replied Fisk, "but it tumbled down last spring."

"That's the one!" the committee's spokesman said. "You know the Erie is bound by law to keep a bridge there, and we came to tell you that if you do not replace that bridge forthwith we shall have recourse to the law, and shut you out of Pennsylvania."

"Why, that's the bridge that we sold all our right, title, and franchise in to the Lamonte Mining and Railroad Company, a few weeks ago, isn't it, Fisk?" said Gould.

"That's the bridge," replied Fisk. "Yes, gentlemen," said Fisk to the committee, "we have no rights at all in that bridge any more. It belongs to the Lamonte Mining and Railroad Company. See them. They'll talk to you about it."

The surprised committee returned home and began a search for the Lamonte Mining and Railroad Company, of which they had never heard before. They discovered that such a company had been chartered by the Pennsylvania Legislature, March 26th of that year, a few days after the Matamoras bridge blew down. By that charter the company was empowered to purchase all the right, title, and franchises of any bridges on the Delaware that wanted to sell. Further than that no sign of the existence of the Lamonte corporation could be discovered. There was no record at Harrisburg to show by whom the bill had been introduced in the Legislature. It was learned that a representative of the Erie Railway Company had been some time at Harrisburg, about the time the bill was passed, and that he had said to member of the Legislature Keene, of one of the coal counties, upon bidding him good-by on leaving Harrisburg:

"I had \$15,000 in this satchel when I came here. I haven't got it now."

The representative from the Pike and Wayne district in the lower house of the Legislature, where this mysterious bill originated, was William H. Dimmick, a young Honesdale lawyer. He was called to attend a meeting of indignant stockholders of the Milford and Matamoras Railroad Company at Milford, and explain how it was that his constituents stood thus betrayed. He attended the meeting, and his explanations were not entirely acceptable to the people until he made a revelation that came as another surprise from the Legislature.

The same Legislature that smuggled the mysterious Lamonte Act through passed another bill appropriating from the State Treasury to the Milford and Matamoras Railroad Company for ninety-nine years the \$10,000 annual bonus the Erie Railway Company was obliged to pay the State for right of way through Pike County, and authorizing the local railroad company to issue its bonds to the amount of \$160,000, thus virtually giving to such bonds the State's guarantee. The legislator for Pike County assured his constituents that the Lamonte bill was unconstitutional, and would be so declared as soon as it was brought before the Supreme Court; so the

Milford and Matamoras Railroad was looked upon as being as good as built. The Company was reorganized, the bonds were immediately issued and placed, and the first installment of the Erie State annual bonus of \$10,000 collected. But in the reorganization of the Company, which was controlled by W. H. Dimmick, many of the old stockholders were left out, and the result was that, although contracts were let for grading the road-bed, and much of the grading was done, the opposition of the old stockholders was so great and persistent that it resulted in the repeal of the act appropriating the Erie \$10,000 bonus to the Milford and Matamoras Railroad Company, in response to a special message from Governor Geary to the Legislature, early in the session of 1871. Suit was brought against the Erie Railway Company in that year, through the Attorney-General of Pennsylvania, to have the Lamonte Mining and Railroad Company legislation declared unconstitutional, and to compel the Erie Railway to build the Matamoras Bridge, but pending the proceedings a private bridge company purchased the charter of the Lamonte Company—which was a company only in the minds of the Erie managers—and proceeded with the building of a bridge, known as the Barret Bridge, across the Delaware at the foot of Pike Street, Port Jervis. Although this bridge was a very long way below the original bridge, assurances were made to the Supreme Court of Pennsylvania that it was satisfactory, and, much to the surprise of the people of Pike County, the Attorney-General withdrew the proceedings against the Erie. That the people would have established their contention, and the Erie Railway Company been compelled to rebuild the bridge that had given them the right to change its route, save it half a million of money, and many weeks of invaluable time, the best lawyers have but one opinion.

The Milford and Matamoras Railroad remains still unbuilt, although a corporation known as the Milford, Matamoras and New York Railroad Company constructed, in 1898, an iron railroad bridge on the foundations of the old Erie bridge, and built a railroad from Port Jervis across it to certain slate gravel beds below Matamoras, the avowed intention being to some time extend the railroad to Milford.

#### THROUGH THE DELAWARE VALLEY.

Pending the dispute over the change of the route for the railroad from Matamoras to Sawmill Rift, the Company was not idle in the Delaware Valley. The herculean task of hewing a way for the rails along the rocky edge of Pike County was in the hands of Ives, Farrell & Co., a member of which firm was J. S. T. Stranahan. In constructing the road on this difficult section, between what is now Parker's Glen and Handsome Eddy, and other places, where the rocks rose almost perpendicularly from the river's edge, it was necessary to suspend the laborers from the brow of the lofty ledges in baskets at the end of stout ropes, while they drilled holes for blasting, and tamped in the powder and fuse. When a fuse was lighted, the men would be drawn up by fellow-workmen to the summit. Life frequently depended on the security of

those fastenings as the workmen dangled high in midair, and on the activity of the men operating the windlass at the top.

The blasts frequently hurled great masses of rock across the Delaware River and into the Delaware and Hudson Canal, much to the interruption of navigation during the open season, and to the damage of the canal property. Not a few boatmen refused to run on the canal during the season of 1847, and numerous suits for damages were brought by the Canal Company against the Railroad Company. Whenever "railroader" and "canaller" met, anywhere between Lackawaxen and Port Jervis, rich Irish blood was sure to flow. This antagonism between the employees of the two companies has been put on record all these years as having been the cause of the Callaghan-Kays tragedy at Lackawaxen, Pa., in 1848, but such is not the fact.

#### THE CALLAGHAN-KAYS TRAGEDY.

The bridge for the railroad over the Lackawaxen River at Lackawaxen, a structure 400 feet in length, was being built in December, 1848. Henry Dutcher was foreman of one side of the bridge, and Jacob Dunkle of the other. On the east side of the river was a heavy embankment for nearly a quarter of a mile, under contract by Clark & Carman, who had about two hundred Irishmen at work on it. When the bridge was ready to be raised, the chords had been stretched, and the runways laid for running in the timber. The Irish railroad laborers gave a great deal of trouble by insisting in going across the bridge to the hotel at the mouth of the river for whiskey, frequently a dozen or more at a time. They were afraid to walk the single plank used for a runway, but would get down on their hands and knees and creep across. This was done sometimes twenty times a day, much to the annoyance and loss of time of the bridge men. To do away with it a substantial foot bridge was constructed a few rods above the railroad bridge, but the Irishmen would not use it. They persisted in crossing on the runways. One day, when about a dozen of them went on the bridge, Dunkle, who was an impulsive, quick-tempered fellow, took up an iron bolt three feet long, and swore that if they did not get off he would break their heads. They got off, but as they did so they swore vengeance on Dunkle, calling him "a damned black Dutchman," and declaring that they would get even with him. Henry Dutcher, who had the good will of the laborers, advised them to use the foot bridge, and they took his advice, but that night, out of revenge toward Dunkle, they invaded his side of the bridge and carried off one of the main braces, twenty-five feet long, and two oak keys, three feet long. The next morning Dunkle missed his timber, and at once mistrusted where it had gone. He took a good man with him and went over among the Irish shanties. There he found a man cutting up the brace for firewood. Procuring a warrant from Justice Thomas J. Ridgway, who lived close by, Dunkle had the fellow arrested and taken before the Justice. The Irishmen supposed they had taken him to Dutcher's tavern, where most of the bridge men boarded. Bent on revenge, a

dozen or more of them went over the river to the tavern. It was then about half-past eleven in the forenoon. They were there when the bridge men went to dinner, had been drinking freely, and were ready for a fight. The men had to pass through the bar-room to get to the dining-room. One of them began to talk to the Irishmen, calling them names. Henry Dutcher collared him and shoved him into the dining-room. Dutcher was the first to finish dinner. "I went down in the room where the Irish were," says he in relating this, "talked with them a few minutes, passed out, and went to Joel Shannon's store, about two hundred yards above the tavern. I had just got into the store when I heard some one crying:

"'Catch him! He has stabbed a man!'

"I rushed to the door in time to see a man running by, with James Salmon close at his heels. Salmon got near enough to strike the man in the back of the neck, knocking him several feet clear off the ground. As he struck the ground his head went under a bunch of shingles. We secured him and took him back to the tavern, where he was held until a warrant could be procured. The rest of the Irishmen had fled in all directions.

"I found the man who had been stabbed lying dead upon one of the benches. His name was George Kays. He was one of the quietest and most peaceable men on the bridge job. The name of the man that stabbed him was Patrick Callaghan. It was a deliberate and unprovoked assault. Kays had not spoken a word to Callaghan or to any one else, but was in the act of pulling off his pea-jacket preparatory to going to work, when Callaghan plunged a knife into his left breast, just below the nipple. The knife must have struck the heart, for Kays was dead in less than five minutes. The stabbing had been preceded by an altercation and loud words between some of our men and the Irishmen.

"We took the body of Kays into an upper room and notified the Justice of the Peace, who acted as Coroner. He summoned a jury and held an inquest. The jury returned a verdict that George Kays had come to his death at the hands of Patrick Callaghan.

"The funeral of the murdered man had to be arranged for. There was no coffin to be had except at Port Jervis, N. Y., or Honesdale, Pa., either place twenty-five miles distant. I told the men that I would make the coffin if they would find the lumber. There was no lumber nearer than Holbert's mill, three miles up the valley. By this time it was dark, and the men were afraid to go after the lumber, so I started up the track alone, went to the mill, selected the lumber, and sent a team after it. Returning, I went over the river to our tool-house, near where the Irish shanties were, got my tools, and worked until 2 o'clock in the morning, in an open shed near the tavern, and could not get a man to hold a light for me, they were all so afraid of the Irish. The next day I finished the coffin, and in the afternoon we had the funeral, I reading the burial service over the grave.

"The next thing to do was to take the prisoner to Milford jail. To do this we selected eight men, arming them with

muskets and revolvers, to accompany the Sheriff, for they had to go right past where the Irishmen were at work, and they expected that the latter would try to rescue the prisoner. This was not an ungrounded fear, for as soon as the posse had driven past where the Irishmen were at work, the laborers started with picks and shovels to make a raid on the wagon the prisoner was in. But our men sprang out, made a mark across the road, and covering the advancing body of men with their guns, retreated about fifty feet, and told them that the first man who put his foot over that mark would be a dead one. The Irishmen wavered, halted, held a short consultation, and turned back. It was well for them that they did. Our men had a hundred pounds of ammunition, and were in dead earnest."

The prisoner was safely lodged in Milford jail, was indicted, tried, found guilty, and sentenced to be hanged, but Governor Johnson, of Pennsylvania, refused to sign his death warrant, and the next Governor, William Bigler, held that it was the duty of his predecessor to sign all death warrants of those convicted of murder during his term of office, and he refused to sign it; so Callaghan was never hanged, but lay in Milford jail five years, and was then pardoned and discharged. Callaghan afterward went to Port Jervis, and worked as brakeman on the Delaware Division of the Erie for twenty years. He was killed by being run over by the cars not many miles from the spot where he had murdered poor George Kays twenty-five years before.

At the time of the construction of the Erie, the building of railroad bridges was in its infancy, or experimental stage. The bridges were all of wood. The design first in use was the Bunn, the bridges being covered. Later the Company adopted the Fowler and the McCallum. In constructing a bridge of either of the two latter designs, a level platform as long as the bridge, and at least twenty-five feet wide, was erected, on which the whole broadside of the bridge was drafted. Then the outside posts of the bridge, after having been framed for the chords and arches, were put in place and firmly fastened; the braces were framed and fitted in position: the chords and arches (there was an arch to each span of the bridge), were placed in position, and the top posts and braces were framed and similarly placed. Thus a whole broadside of the bridge was completed. This had to be all taken apart and piled by itself, and the other broadside constructed in the same way. The building of a large bridge of this kind made a long, heavy job, requiring the handling of several thousand tons of timber at least seven times over, besides the work of framing.

#### THE FIRST SIGHT OF THE ENGINE.

The first locomotive on the Delaware Division was the "Piermont." It was dismantled at Piermont, loaded on a canal boat, taken up the Hudson River to Rondout, and thence by the Delaware and Hudson Canal to Lackawaxen. There

it was set up, and used to distribute iron and ties to lay the track on the Delaware Division. This was in the summer of 1848. The engine was in charge of William Van de Graff, as engineer. Along in October of that year it became necessary to go to Narrowsburg with the engine. The news got circulated around, and the result was that, from a long distance about, men, women, and children came out of the backwoods settlements, two or three hundred strong, to see the iron horse. The locomotive was run up in front of the station and stopped, and in a few minutes some of the more courageous ones began to examine the "critter," as they called it, and not a few climbed upon the engine. Suddenly Engineer Van de Graff, full of mischief, sounded a full blast on the whistle. The effect of that may be more easily imagined than described. It was a "very hurrying time of year" just about then. Those on the engine tumbled off like a lot of mud-turtles dropping from a log. Some fell; others yelled, and tumbled over each other in their haste to get at a safe distance. Van de Graff was so convulsed with laughter that he rolled on the footboard to ease himself, and the experience was his favorite "stove committee" tale for many a long day.

#### HUNTERS AND THE LOCOMOTIVE.

The region through which the Delaware Division ran, fifty years ago, was almost a wilderness, and there were few who then lived in the region who were not in profound ignorance in regard to the locomotive; and being accustomed to the hunt and the ways of the forest, it was but natural that they should associate the sound of the steam whistle with the cry of some wild animal, especially when the whistle was heard at a distance of a mile or two. To not immediately set themselves to work to capture the animal responsible for that noise would have been contrary to their nature.

A short time after the locomotive "Piermont" created the excitement at Narrowsburg by its first arrival, it was necessary to go with it to Callicoon. The track being new and not ballasted, the run was very slow, not more than six or eight miles an hour. The whistle was blown at short intervals. Some of the famous hunters of the Pike Pond region, back in the mountain, hearing the whistle and taking it for the scream of a panther, which fierce beast still lurked in these hills, started with dogs and guns in hot pursuit toward Callicoon in an effort to head off the "varmint," and if possible capture it. The locomotive beat them several lengths, however, but had been standing but a short time at the station when three or four men rushed out from the bushes just across the track, their clothing all in tatters, covered with mud, and soaked from wading streams and swamps. The men were nearly exhausted, for they had run miles through the woods and swamps and across streams to intercept their game. Their surprise and chagrin to find that the object of their pursuit was not a wild animal, but a locomotive, standing quietly on the track in front of the station, may be imagined.

## TRAPPING A LOCOMOTIVE.

Another hunting incident occurred in connection with the early locomotive, in which John Quick was the chief actor. He lived about five miles from Milford, in Pike County, Pa., at a place called Schocope, and about as far from Carr's Rock, now Parker's Glen. The locomotive had been in use distributing ties and rails along the line from Shohola toward Port Jarvis for some time. Quick, hearing the shriek of the whistle one day, thought it was the scream of some wild animal. He was a great trapper, and he at once got out his bear traps, shouldered as many as he could conveniently carry, and started for the woods. After travelling four or five miles to the head of the glen leading down to Carr's Rock, he set his traps, and every two or three days would go to look them over, and see if he had caught the beast that yelled so. At last, while visiting his traps one day, he heard the scream of this animal. The sound came from toward the river, two miles away. He cautiously started in that direction, his rifle ready to send a bullet into the beast the moment he sighted it. Frequently he heard the same screech repeated. He kept on until he came in sight of the railroad. Then, to his disgust, he found that for a month or more he had been trapping for a locomotive!

Quick was a famous hunter and trapper, and for years afterward he enjoyed telling this story.

## GETTING OVER THE RANDOLPH HILLS.

During 1848, the Company completed and had in use 200 miles of railroad, and was vigorously prosecuting its further extension. Work was under contract from Binghamton to Corning, a distance of seventy-six miles. The grading between Binghamton and Owego was finished, and the railroad was completed between Piermont and Binghamton. The difficulty of getting over the dividing ridge between Deposit and Binghamton was great. The original route of 1834, via Nineveh and Bettsburgh, was forty-five miles long, and had two summits, 905 and 1,200 feet high, with grades as steep as eighty-two feet. Another route was reconnoitred, via Windsor, which was sixteen miles shorter, with two rises of 728 feet. Another via Windsor had grades sixty-six feet, and required three tunnels, 700, 3,400, and 2,600 feet long. This route was thirty-seven miles in distance, with a rise of 1,840 feet. Benjamin Wright, James Seymour, Edwin F. Johnson, H. C. Seymour, C. B. Stuart, T. S. Brown, nor George E. Hoffman could succeed in discovering any better route than either of these. In making the surveys in 1840, the remarkable glen at Gulf Summit, between the waters of Cascade Brook, going to the Susquehanna, and McClure's Brook, going to the Delaware, was discovered. Passing between the towering rocks, just wide enough for the road, an engineer named John Anderson traced a line from Deposit to Lanesboro in 1841. It was continued by Hoffman to Great Bend and Binghamton, thirty-nine miles. The grade of this route was sixty-six feet on the Delaware side and seventy

feet on the Susquehanna side, a distance of sixteen miles. The original line of 1834 ran one mile and a half from Binghamton, and was unsatisfactory to the people. This Anderson line passed directly through that village, and, after the legislation authorizing the Company to go into Pennsylvania, it was the route chosen between Deposit and Binghamton—the route of the present day.

## THE BIG ROCK CUT AND CASCADE BRIDGE.

One of the most difficult and expensive tasks in the moulding of the way for the railroad westward was at the summit of the Randolph Hills, beyond Deposit. This was the cutting through the vast wall of rock that barred the passage of the mountain there—the last desperate stand that obstructing Nature made against the persistent and plodding engineer in his determined fight to force a place for this great highway. This formidable barrier was half a mile in width, the left wall being 200 feet high from road-bed to summit. To carve a road-bed through that beetling obstacle cost the enormous sum of \$200,000, and then the passage was only wide enough for one track. Time did not permit of building the railroad for the future when this work was being pushed forward, fifty years ago. Until the time came, years afterward, when this cut was widened to make room for a second track, a strong current of air was constantly sweeping through its narrow confines, and the temperature on the hottest days of summer was uncomfortably cool, while in winter old Boreas howled along the corridor between the high walls of the artificial canyon, a very demon of frigidity. In the early days of railroading on the Erie, snow blockades were sure to be met with in that cut whenever wintry storms swept over that mountain's riven pinnacle.

Few train-men in active service on the Erie Railroad to-day remember the Cascade Bridge, and no traveller born less than a generation and a half ago ever saw that remarkable structure. Indeed, no traveller over the Erie, no matter how long ago he may have travelled, ever did see the Cascade Bridge unless he alighted from his train for the purpose of getting a view of it. This bridge, in its day, was regarded as one of the engineering wonders of the world. When the engineers finally located the route the railroad was to follow over the range of hills that divided the Delaware Valley from that of the Susquehanna, they came to a deep ravine, well down the western escarpment of the range. Exact measurements of this great chasm in the rocks gave its depth as 184 feet and its width 250 feet. The walls were of solid rock. A small creek flowed at the bottom of the gulf, on which, a short distance above the spot where the railroad must cross if it were to proceed on its way farther, the water tumbled over a broken precipice thirty feet high, and, just below, leaped sheer down the face of a lesser cliff. The gloom of the ravine was deepened by a dense growth of hemlocks that found strange tenure on its sides from base to summit. To fill in this yawning gulf so that a foundation for the railroad might be made was deemed a task too stupendous to even

spend time in considering. Eminent bridge engineers and builders of that day were consulted, and John Fowler, inventor of the Fowler truss bridge, agreed to undertake the throwing of a bridge across the Cascade Gulf that would successfully solve the serious problem that confronted the Company at the brink of that mighty chasm.

The work on the Cascade Bridge was begun in the spring of 1847, and was a year and a half in building. It consisted of a solitary arch of 250 feet span, with a rise of fifty feet. The abutments were the solid rock that formed the sides of the ravine, each leg of the great arch being supported on a deep shelf hewn into the rock. The arch was constructed of eight ribs of white oak, two feet square in the centre, and two feet by four at the abutments. These were interlaced with wood and iron braces so as to combine strength and lightness in the airy structure. The width of the bridge was twenty-four feet, the surface of its material being protected by a coating of cement and gravel. This bridge became famous as the longest single-span bridge constructed of wood in the world. In spite of the difficulty and risk that attended clambering down to the bottom of the Cascade Gulf, from which point alone a satisfactory view of the bridge could be obtained, this really remarkable structure, hanging high in the air, like the thread of some huge spider-web, became such an attraction that scarcely a train arrived at Susquehanna, during the years the bridge was a part of the railroad, from which tourists did not alight for the purpose of visiting the ravine and the bridge that spanned its dizzy summit—Susquehanna being the nearest stopping place. Once, in those early days of Erie, Gen. Winfield Scott was a passenger on a train that was stopped at Cascade Bridge to enable the passengers to view the bridge from this chasm. General Scott, after gazing at the airy structure from the depths of the gulf, exclaimed:

"The man who could throw a cow-path like that over this gulf deserves a crown!"

The bridge cost \$72,000. In 1854 there were rumors that the Cascade Bridge was showing signs of weakness, and the Railroad Commissioners of New York State sent an engineer to examine it. He reported that the bridge was safe. The Board of Railroad Commissioners inspected the bridge themselves in 1855, and they were satisfied with its condition. But the Company in that year decided that, owing to the possibility of the bridge being destroyed by fire, which would practically stop all operations on the railroad until a substitute could be provided, it would be wise to cross the gulf by changing the route, filling in the ravine, and making a culvert for the creek. This work occupied five years, being completed during the receivership of Nathaniel Marsh, in 1860, and the wonderful Cascade Bridge was abandoned and demolished, and is now only a memory.

A man named Lewis, of Canandaigua, was a workman on the Cascade Bridge. One day he fell from the trestle work to the bottom of the ravine, more than 100 feet, and alighted in such a way that, incredible as it may seem, he escaped with so little injury that he returned to his work the same

day. In 1854, the Fowler bridge across the Susquehanna River west of Susquehanna Station was ordered replaced by a McCallum bridge, and Lewis was one of the men employed on the work. The height of the bridge above the island on which one of its piers rested was not more than fifteen feet. Lewis fell from the bridge one day and was killed.

#### THE STARUCCA VIADUCT.

The valley of the Starucca Creek, about two miles beyond Cascade Gulf, was the next difficulty in the way of the railroad—a sudden, deep, and wide depression in the hills, a hundred feet or more below the lowest elevation the road-bed could find. This valley was more than a quarter of a mile wide, and there was no way around it. At first it was proposed that this broad and deep stretch should be graded up to the level of the road-bed by constructing an embankment across it, but the plan was abandoned on the score of cost and the great length of time that would be required to raise that enormous mound of earth. The crossing of the valley by a viaduct was then decided upon. The great work was begun about the time the Cascade Bridge was begun, but it was dragging, and threatened to defeat the efforts of the Company to get the road through to Binghamton by the end of 1848. Three different contractors had failed and thrown up the work.

James P. Kirkwood was a Scotchman, and learned civil engineering on the Boston and Albany Railroad, an early work from which a number of engineers and contractors came to the Erie when it was building. He was a brother-in-law of Julien W. Adams, who was a leading contractor and bridge-builder on the Erie, his great work being the above described wooden bridge over Cascade Gulf. In the spring of 1848, Contractor Adams was appealed to by the Company's representatives.

"Who can build that viaduct?" he was asked.

"I know of no one who can do it," he replied, "unless it is Kirkwood."

The matter was presented to Kirkwood. He visited the spot, investigated the facilities for getting stone and material, and reported.

"I can build that viaduct in time," he said, "provided you don't care how much it may cost."

He was told to go to work at it regardless of cost. He did so. The quarries from which the stone for the work was obtained were three miles up the Starucca Creek. Kirkwood put down a railroad track on each side of the creek, from the quarries to the work, and brought the stone in on cars. The labor was all done by the day, and every available man in that vicinity was employed. In May, 1848, at the viaduct and quarries, 800 men were employed. The false work was in thirteen tiers, and extended across the Starucca Valley. Operations on this remarkable structure were pushed night and day, and with such system and method that the viaduct was ready for use long before its use was required.

This engineering feat gave Kirkwood great prestige with the Company, and resulted in his being selected as General Superintendent to succeed H. C. Seymour in 1849.

James P. Kirkwood was a native of Edinburgh, and came to America in 1834. He was a graduate of Edinburgh College, and a civil engineer. In 1835 he became Assistant Engineer of the Stonington Railroad, and in that year surveyed the route for the Long Island Railroad, and had charge of the construction of that road until operations were stopped by the panic of 1837. Kirkwood later was engaged on the Boston and Albany Railroad. He left the Erie to go to the southwest to construct railroads, and he made the first survey for the Pacific Railroad west from the Mississippi to the Rocky Mountains.

The Starucca Viaduct was at the time it was built the greatest work of railroad bridge masonry in the United States, and is to-day a conspicuous example of that branch of engineering science, even among the stupendous feats of modern bridge construction. The viaduct is 1,200 feet long, 110 feet high, and has eighteen arches with spans of fifty feet each. It was wisely constructed for a double track, and was made thirty feet wide on top. The cost of the structure was \$320,000, the most expensive railroad bridge in the world at that time.

The views of Starucca Viaduct and Cascade Bridge, between pages 94 and 95, were made in the spring of 1851.

#### WHEN THE LOCOMOTIVE FIRST CAME AMONG THEM.

(From the *Binghamton Democrat*, November 17, 1848.)

Great numbers of our citizens have been attracted to the railroad to see the first locomotive on the track. Some who have often seen this spirited *animal* before, and been conveyed by its wonderful speed, are delighted to witness his antic gambols among the hills of Broome. Others who have never ventured beyond the limits of the "sequestered counties" are amazed at the gigantic power of the steam horse, while he snorts and snuffs the fresh breeze of our valleys, and vanishes away to the morning fogs of the Susquehanna. The boys throng the track to see which way the *bullgine* is coming. All are exceedingly gratified to realize the beginning of the long-awaited-for completion of the New York and Erie Railroad.

This locomotive was the "Orange," and it was taken on that section of the railroad to aid in and hasten the construction eastward. ("The Turning of Its Wheels," pages 391-393.)

#### FIRST TRAIN OVER THE DELAWARE DIVISION.

The Company had announced that to celebrate the completion of the railroad to Binghamton special excursion trains would be run between Piermont and that place Wednesday, December 27, 1848. The track along the Upper Delaware Valley was yet in an unfinished condition, and Major T. S. Brown, Chief Engineer of the work, decided that it would be wise to run a preliminary train over that part of the track,

from Port Jervis to Deposit, a few days before the regular excursion trains were to pass, in order that their safety might be insured and all cause of delay removed. The Rev. Henry Dutcher, now of Warwick, Orange County, N. Y., then an employee of the Company, was one of those who made that initial trip over the Delaware Division, and he thus relates his reminiscences of it to the compiler of this history:

"The train consisted of an engine, one passenger car, and two flat cars. Among those aboard were Major Brown; H. C. Seymour, General Superintendent; Silas Seymour, Major Morrell, W. H. Sidell, of the engineer corps; H. O. Beckwith, William A. Dutcher, a man of the name of Rice, myself, and others, making fourteen in all, besides a gang of laborers with pails, picks, and shovels. We started from Port Jervis at two o'clock p.m. on Friday, December 22, 1848. At Lackawaxen the engine 'Piermont' was attached ahead of our engine. We proceeded to Narrowsburg, arriving about seven o'clock. After supper we started on. It had been snowing all afternoon, the snow being from six to eight inches deep. It continued to snow as we proceeded, so that our progress was very slow. When about two miles above Cohecton, six miles from Narrowsburg, our locomotives ran out of water. We stopped at a creek, the embankment being some thirty feet above it, and forming a line, passed six hundred pails of water up to the engines. Some of the men froze their fingers. Proceeding on our way, at daylight next morning we found ourselves about a mile above Hankins Station, having travelled about twenty miles during the night. At this point we came to a dead stop. We found a mile and a half of track not laid, and no iron nearer than Narrowsburg with which to lay it. The snow was badly drifted. There were from two to three feet of snow on the road-bed. We got the trackmen out and set them to shovelling, and sent one engine back to Narrowsburg after iron to fill the break. Leaving orders to proceed with the engines as soon as the track could be laid, fourteen of us, without any breakfast, started to tramp it up the track through the snow, which was in many places to our hips. At about two o'clock in the afternoon we arrived at Long Eddy.

"Now," said Superintendent Seymour, 'we will have something to eat.'

"He leading the way, we all followed, ravenous, having eaten nothing since seven o'clock the night before, and having toiled incessantly all that time. The house he took us to was kept by John Geer. And another such a place! The bed-room, kitchen, sitting-room, parlor, up-stairs, and down-cellar were all in one room, and not a very large one, nor a very clean one, at that. Seymour told the old lady of the house that we were as hungry as wolves and wanted some dinner. She took a box from her dress pocket, treated herself to a large pinch of snuff from it, wiped her fingers on her apron, and replied that she did not know how it would be, but she would do the best she could. Lifting a trap-door in the floor, she descended to an apology for a cellar, and brought up a loaf of bread, a plate of butter, and a dish of honey. The honey undoubtedly was clean, but the butter

had the appearance of having been sprinkled with pepper and salt. The bread, while it looked good on the outside, showed layers of dirt through it when cut, as though it had been kneaded on the floor. In addition to the above, she brought from a cubby-hole at one side of the old-fashioned chimney a dish of potatoes that had been warmed over at some time, and a dish of beans, both frozen, and a plate of fried pork, and another of mackerel, each of which looked as though it had been picked at by the hens. These were all put upon a bare table, with knives and forks, but no plates—and our dinner was ready.

"We mechanically went through the motions of eating, but it was a miserable failure. Our dispositions were to eat, but our stomachs would not agree with our dispositions, and we did not eat a sixpence worth. After resting ourselves for a few minutes, Major Brown asked the old lady how much we were indebted to her. After taking another pinch of snuff, she said she could not tell.

"'It wasn't much of a dinner, anyway,' she said, and we thought her judgment correct. Major Brown handed her a twenty-five-cent piece for himself, and asked her if she thought that would be about right. She thought it would; so we each handed over a quarter, thus paying three dollars and a half for what would not have fed a chicken. From there we went to the Company's shanty, opposite Big Equinunk, where we got our supper at about five o'clock. From that point we proceeded two miles farther to Jeremiah Lord's, where twelve of the party hired Lord to take them to Hancock that night. It being Saturday night, Ray Clark and myself concluded to stay with Lord over Sunday. Monday morning we got Lord to take us to Hancock, where we found the others waiting for the engine. This did not make its appearance until four o'clock Monday afternoon. We found that between Hancock and Deposit there were three miles of track not laid, so that there was no way to get further with the cars until that breach was filled, and the iron had to come from the other direction—from Susquehanna. Major Brown decided that he must go through to Binghamton at all hazards. The rest of the party resolved to go no farther, but I told the Major I would stick to him as long as there was a button on his shirt. The trouble was to get to Deposit. We found a lumberman who was going there, but he had no better accommodation than a pair of bob sleighs. Turning one up over the other to make a seat, we rode the thirteen miles without buffalo robe or blanket; and what a bitter cold night it was! When we reached Deposit we found Engineer Joshua P. Martin, with the locomotive 'Orange,' with which he had brought the iron to lay the three miles of track, and was waiting for us to take us to Binghamton, forty miles distant. After getting our supper we boarded the engine, with nothing to shelter us. There were no cabs on the engines yet. Facing a strong northwest wind, with the mercury at zero, we rode over that bleak country, arriving at Binghamton at half-past eleven o'clock Monday night—three days, nine hours and a half getting over the division. But we succeeded in getting the road in order so that the excursion train on the

following Wednesday passed over the division without accident or delay."

#### OPENING OF THE RAILROAD TO BINGHAMTON.

This event was celebrated by the running of two excursion trains from Piermont to Binghamton, filled with distinguished guests. The party left New York Tuesday evening December 26, 1848, on the steamboat "Oregon," Captain St. John, engaged for the occasion. The boat arrived at Piermont at ten o'clock, where the party remained all night. The trains left Piermont at five o'clock Wednesday morning, the 27th. The trip, owing to the early hour and the darkness, was uneventful until the excursion approached the Delaware Valley. When near the bridge where the line crosses the Delaware and Hudson Canal, the engine of the first train got off the track, and there was a detention of nearly an hour in a blinding snow storm.

Near Lackawaxen happened the only unpleasant event of the excursion. Orders had been given to keep everything off the track throughout the new line until the special trains had passed. After the passage of the first train, some workmen, probably ignorant that a second train was on the road, had replaced their dirt car, and were leisurely riding upon it, in advance of the second train, which, in spite of every attempt to avoid such a catastrophe, came in collision with it. Most of the workmen had jumped off the car, but of those who were unable to do so, two (John Faust and George Hines) were seriously hurt, the former receiving a severe fracture of the hip joint, which it was feared might prove fatal, and the latter a deep flesh wound in the thigh from the cow-catcher, and a fracture on one or more of his ribs. A collection amounting to \$196 was made for them, and President Loder, on behalf of the Directors, promised that they should be well cared for until they recovered.

At Narrowsburg a cold collation was provided. The train again pushed on, battling with the storm and pushing off the accumulating snow, which had reached a considerable depth. An incident of the passing of this pioneer passenger train over the Delaware Division occurred at Callicoon and is worthy of note. A large number of people had gathered there to greet the train on its arrival. A banner presentation had been arranged for, but the train did not stop. It ran at a very slow speed, however, and as the last car came along, Peter Traynor seized the banner and handed it up to the brakeman on the rear platform. On it was inscribed the following: "The iron horse from the Hudson is welcome to drink of the waters of the Callicoon."

It was between eight and nine o'clock in the evening before the train arrived at Deposit, so desperately had the trains to fight their way over the almost untried road, through the opposing obstruction of the drifting snow. A large concourse had assembled to greet the arrival of the party at Deposit. Across the railroad was thrown a large and beautiful arch, gaily decorated, and bearing in mammoth letters formed of evergreens the welcome word "WELCOME"; on the top of the arch

stood a noble deer, which, with others, was presented to the Directors. "One could not help a passing thought of sadness," said one of the excursionists afterward, "as this first toll of a wild and sportive race to the stronger power of man suggested the coming destruction which henceforth awaits them in their native woods. Here, too, in the gorge of the mountains, cannons roared and bonfires flashed and threw their glare upon thousands of human faces."

While this courageous excursion party was struggling on its way through the wild, snow-swept Delaware Valley, on that memorable 27th of December, this was what was transpiring at Binghamton:

"Early in the morning," wrote John R. Dickinson in the *Binghamton Democrat*, "the inhabitants of this and the adjoining counties began coming into the village. About ten o'clock a snow storm came on, which continued all day and through the night. Notwithstanding the severity of the storm, thousands continued to assemble. About four o'clock P.M., the multitude, men, women, and children, assembled at the depot, and awaited the arrival of the first train of cars from New York to Binghamton. Hundreds were promenading the depot grounds through the mingled storm. Hundreds more surrounded a large and powerful locomotive, that had come in from Port Jervis with a train of freight cars in the early part of the day, and were expressing their admiration of its iron muscle, and their surprise at its wonderful power and speed. At another point the cannon were stationed, about which a multitude of men and boys were congregated, ready to touch off the guns at the first sound of the whistle of the train.

"The large room of the depot-house was filled to overflowing—the adjoining room was reserved for the exclusive occupancy of the committee of arrangements, with a doorkeeper to keep out the common people. The car-house, which was located about fifty rods east of the depot-house, was well warmed and lighted, two tables spread there extending its entire length (150 feet), with the best the Phenix Hotel could provide. Near the middle of the car-house a platform was elevated, upon which Littlewood's band was stationed.

"From four o'clock, hour after hour passed away. Some becoming impatient left for their homes. The clock struck nine, ten, eleven. A large portion of the crowd had gone. Anxious speculations as to the safety of the first train from New York were passing among the remaining crowd, when, a little before twelve, midnight, the sound of a distant whistle came booming down the line. Bang! bang! went the cannon, and suddenly all was excitement. Many who had gone home and retired to rest arose and repaired to the depot grounds. The cooks and waiters set themselves to the final arrangements at the long tables. The firing of cannon continued. The whistle sounded nearer and louder, and the long pent-up hurrahs of the crowd becoming more enthusiastic, altogether greatly marred the usual midnight stillness of our quiet village. At this moment the stately train, drawn by the panting locomotives, approached and halted at the car-house, where the refreshments were in waiting. From

300 to 400 passengers alighted and entered the car-house, and began at once the discussion of the merits and bounties of the table. The honorable committee in the meantime were in waiting down to the depot-house, under the charge of doorkeepers, preparing to receive the distinguished guests from the city. It was evident from the lofty bearing of many of them, and the precautions taken by the doorkeepers to prevent a contact with the common people, that they had screwed themselves up to sufficient dignity to receive with appropriate demonstration the Honorable the Mayor, and the Common Council of the City of New York, the President and Directors of the Erie Railroad Company, and other distinguished guests. After waiting a while and learning that the New Yorkers were partaking of the repast at the car-house, the committee, evidently disappointed in not being permitted to take that conspicuous part in the reception they had anticipated, followed up to the car house and joined in the festivities of the occasion.

"After the cloth was removed, Mr. Loder, the President of the Railroad Company, was called for, and entertained the assemblage with remarks embracing a history of the affairs of the Company and interesting facts and statistics, touching the commencement, progress and completion of the road to Binghamton, and its future prospects, which were received with great applause. Calvin E. Mather then arose on behalf of the committee, and addressed the assemblage with great spirit and animation. Toasts were given, after which William E. Dodge made appropriate remarks. He was followed by the Hon. Zadoc Pratt, Chief Engineer Brown, and others. The guests then retired to lodgings at public and private houses in town which had been tendered to them.

"About nine o'clock in the morning all assembled again at the depot grounds to see the train go out, and tender to our guests a cordial expression of our thanks for their visit and a wish for their safe return. While the preparation to start was going on the crowd assembled in the car-house and were addressed by Mr. Franklin, Mr. Dodge, Mr. Davies, Mr. Folsom, Mr. Diven and others, in spirited and interesting speeches, which were received with enthusiastic applause. The best of feeling prevailed, and the citizens of New York and Binghamton greeted each other as friends and neighbors, separated only by a few hours' ride.

"At twelve o'clock, M., the two trains went out, amidst the hurrahs of the thousands assembled to witness their departure."

#### GETTING THE RAILROAD BEYOND BINGHAMTON.

The contract for building the railroad from Binghamton to Corning was taken by John Magee and Constant Cook, of Bath, N. Y.; John Arnott, of Elmira; Charles S. Cook, of Havana, N. Y., and John H. Cheddell, of Auburn, N. Y. ("Administration of Benjamin Loder," page 92.) This was an easy portion of the railroad to build, lying as it did in and along the fertile flat lands and in the thickly settled portions of the Susquehanna and Chemung valleys, and each

contractor made a large fortune out of the arrangement with the Company. The locomotive "Orange" did duty in the work of construction on that part of the railroad. J. S. T. Stranahan, Joseph White, and Horace G. Phelps did much of the work as sub-contractors on the road between Elmira and Corning.

The railroad was so far complete between Binghamton and Owego on June 1, 1849, that an excursion train from New York, bearing distinguished guests, was run as far as Binghamton on May 31st, and on to Owego the next morning. This first passenger train arrived at Owego at ten o'clock A.M., June 1, 1849. Church bells were rung and cannon were fired. Considerable preparation had been made to celebrate the occasion so long waited for. Hon. Thomas Farrington was President of the day; Hon. John M. Parker, E. S. Sweet, Esq., Hon. John J. Taylor, and Franklin Slosson, Vice-Presidents; Col. N. W. Davis, Marshal. A dinner for the invited guests was spread in the big dining-room of the depot (Owego having been designated as a dining station), and a public feast on platforms outside, by S. B. Dennis, proprietor of the Tioga House. President Farrington delivered a speech of welcome to the distinguished guests that arrived on the train. It was responded to by William E. Dodge, President Loder not being present. After dinner, speeches were made by Shepherd Knapp; William E. Robinson, of the *New York Tribune*; Hon. James Brooks, of the *New York Express*, and E. S. Sweet, and Hon. S. B. Leonard, of Owego.

There was no general jollification made over the opening of the railroad to Elmira, the first train from New York on which occasion arrived at Elmira on the morning of October 2, 1849. It was welcomed suitably and joyously by the Elmira people.

As the railroad approached Corning, the people of the Canisteo Valley, in Steuben County, through which the original route of the railroad was surveyed, became greatly alarmed over rumors that the people of the Cohocton Valley, especially at Bath, where the influential Magees and Cooks dwelt, had brought such arguments to bear upon the Company that it was considering the propriety of diverting the railroad between Corning and Hornellsville from the Canisteo Valley to a route that would follow the Cohocton Valley instead, by the way of Bath.

To protest against this, and to show the Company how unwise it would be to make such a change as that, a great meeting of all that excited country was held at Mrs. Jones' Tavern, Cameron, Steuben County, July 28, 1849. Jeremiah Baker was chairman; John K. Hale, secretary. William M. Hawley, Nathaniel Finch, Thomas J. Reynolds, William R. Smith, and F. C. Denninny drafted, as the sense of the meeting, a memorial, which was printed in a pamphlet. The committee reported to a meeting of people held at Buck's Hotel, Addison, August 24th, following. Gen. Ran-

som Rathbone was chairman of the meeting and Nathaniel Finch read the memorial, and William R. Smith, Gen. Ransom Rathbone, and James Alley were appointed a committee "to go to New York, and present to the President and Chief Engineer, and each of the Directors, and to such others as they may deem expedient, a copy of the same." Eloquent speakers, representing the Company's interest, chief among them being Asher Tyler, of Elmira, addressed the meeting, assuring the people that the Company would take its railroad to that route that gave it the most encouragement, and thus secured many a Canisteo Valley farmer's hard-earned dollars, grants of land, and rights of way in behalf of a railroad that was bound to go that way, anyhow, for the light of subsequent events showed that there had at no time been any probability of the route being diverted from the Canisteo Valley.

The Hon. Asher Tyler was a man of much consequence in the Southern Tier of New York, as well as elsewhere, in his day. He was born at Bridgewater, Oneida County, N. Y., May 10, 1798, and was graduated from Hamilton College, in that county, in the class of 1817. He studied law, not for the purpose of a general practice, but that he might apply it as agent of the Devereux Land Company, that had considerable real estate in Cattaraugus and Chautauqua counties. He was a member of Congress from the Cattaraugus district in 1843-45, and was contemporary there with some of the most distinguished men of the country. He became friends with them and retained their friendship as long as he lived, corresponding with many, and being visited by them at his Elmira home. He conducted the purchase of the land for the Erie in all of the counties east of Broome, examining titles and getting clear rights. His judgment was of the best, and there is no record of its ever having gone astray. During this period of his life he lived at Ellicottville, Cattaraugus County. In 1848 he went to Elmira to live, and spent the remainder of his days there. He died at the age of more than eighty years. His wife was the daughter of John Youle, an ironmaster of the city of New York. The Youles were of English origin, and the family, in the early part of the century, was one of the highest in social standing in the city. The rare Tyler homestead in Elmira is occupied by his daughters, ladies of high culture and accomplishment.

Nathaniel Finch, of Hornellsville, succeeded Asher Tyler as General Land Agent, and was made a General Attorney of the Company. He was a native of Greenwich, Conn., and settled at Hornellsville in 1837. He was a lawyer, and was employed by the Erie as early as 1841, to secure right of way for the railroad through the Canisteo Valley and along the Western Division. He subsequently became the Erie's attorney and claim agent for that section. He remained in that service until his death in 1866. He was succeeded by his son, John M. Finch, who had been his father's assistant since the age of eighteen, and who held the place until 1869, when he retired.

Much of the route of the old piled roadway of 1841, in the Canisteo Valley, was abandoned for a more feasible one, and

as late as 1895 long rows of piles could be seen on the flats on the lower side of the Canisteo River, melancholy reminders of one costly folly in the building of the Erie.

Among the contractors on the work between Corning and Hornellsville were Benjamin Folsom, Wells & Dutcher, Henry A. Fonda, Peter C. Ward, and M. McMahon, the father of the present Gen. Martin T. McMahon, of New York. The civil engineers were: L. D. Hodgeman, Thomas A. Emmet, and Messrs. Stancliff, Pumpelly, and Stoddard.

Under date of Monday, August 26, 1850, President Benjamin Loder wrote from New York to a friend: "I want to go West this week as far as Hornellsville, as we hope to open to that place Monday. Shall have no jollification over forty-one miles of railroad."

Miss Susan Kress, a young woman of Dundee, Yates County, N. Y., was the first female to ride over the Susquehanna Division from Corning to Hornellsville, which she did on a construction train, Saturday, August 31, 1851. Miss Kress became the wife of H. E. Buvinger, who has been for more than forty years a prominent employee of the Erie at Hornellsville.

The first locomotive crossed the Canisteo River into Hornellsville on Sunday, September 1, 1851. The locomotive was the celebrated "Orange." The day was cold and rainy. When the "Orange" and its pioneer load of passengers for Hornellsville arrived at the Canisteo Creek, east of Hornellsville, it was found that the bridge was not yet ready for the rails. The party was obliged to wait several hours in the drizzling rain for the bridge to be finished, and the last rail laid. It was dark when the locomotive at last was permitted to cross, and entered Hornellsville whistling shrill responses to the loud shouts of the assembled populace. The whistle of the locomotive reached the ears of people who were at church, and the pastor of at least one church (Rev. Horatio Pattengill, of the Presbyterian church) praised God and dismissed his congregation, who flocked to see the iron horse, whose coming had been awaited so many years. President Loder was among those on the flat car.

#### BLOODY AND FATAL FACTION FIGHTS.

At Alfred, eighteen miles west of Hornellsville, where the railroad route wound round the hillside, as it rose to the summit of the Alleghany Mountains, there were heavy cuts to be made through the obstructing banks, and deep gullies to be filled to the level—one of these a mile or more long, the longest and deepest fill on the entire work. The construction on that section was in charge of Contractor Henry A. Fonda, who had a small army of Irish laborers in his employ. Three factions of these sons of the Green Isle were represented among them: the Far-downs, the Tipperaries, and the Corkonians. Naturally, as had been the case elsewhere on the work, the ancient feuds of these factions were bound to take on vim and vigor whenever the only thing in common with these diverse fellow countrymen, love of the insidious "potteen," was indulged in overmuch, or even when one

faction could find the slightest excuse for attacking another, and then violent "ructions" were sure to follow.

In June, 1850, John Pardon, a Far-down, while passing through Alfred with his family, on his way to Andover, was attacked by aggressive members of both the Tipperary and Corkonian factions, but was rescued and sheltered by Paris Green, a citizen. This enraged the attacking Irishmen, and they collected in a large mob, determined to prevent the Pardon family from proceeding on its way. The outbreak became so serious that the militia of the towns of Alfred, Andover, and Almond were called out, and two constables' posses, one from Alfred and one from Andover, were organized. The Andover posse escorted the Pardon family on their journey, while the Alfred posse arrested a number of the mob leaders and took them to Alfred Centre, two miles distant, for trial. While the trial was in progress the Justice of the Peace had warning that the mob was approaching in force, armed with all manner of weapons, to rescue their friends from the officers of the law. The militia had a six-pound brass cannon in their possession. This was loaded to the muzzle with chains, nails, scraps of iron, and such other missiles as could be obtained, and the gun placed in the road where it could be trained on the rioters when they appeared around the curve, just below. But the battery was not called into action. When the leaders of the advancing forces turned the curve and suddenly faced the frowning gun, a retreat began, not a dignified and orderly one, but such a one as has been seldom witnessed in the ordinary tactics of war. Neither fences nor other obstacles checked the fleeing mob, as it scattered in every direction leading to the woods, leaving hats and motley weapons behind. Thus this riot was quelled without bloodshed, but brawls ending in murder were of frequent occurrence.

In October, 1850, during a row in a shanty one night, Contractor Fonda and his foreman, a man named Kent, were called in to quiet it. As they entered the shanty the lights were extinguished, and a free fight followed. When it was over, two young Irishmen were dead, shot through the heart, and Kent was unconscious from a blow on the head. He did not regain consciousness, and died in a few days. It was never known who was responsible for any of the killing.

The next day after this broil the Company hired fifteen of the militia to act as guards. It was their duty to seize all firearms found on the laborers, and to confiscate all whiskey brought into the village. This prevented any further serious outbreaks, but occasionally the factions would come together in battle, with fatal effects on one another, and the big fill just below the station at Alfred, so tradition insists, contains the bodies of many missing natives of the Emerald Isle, who fell in these affrays, and were secretly buried to prevent unpleasant official investigation.

#### CHANGING THE ROUTE.

In 1838 Maj. Thompson S. Brown had located the western section of the road, surveying east from Lake Erie,

placing it through the Conewango Valley to Randolph, thence over Cold Spring Summit to the Alleghany River south of the present site of Salamanca, thence up the river to Olean. The contracts for building the road were let in 1840-41 over this route, as we have seen, and piles had been driven the greater part of this distance, when the failure of the Company in 1842 stopped the work. In 1849, Silas Seymour, having succeeded Major Brown as engineer of that part of the work, was instructed to find a shorter and better route. The result was the abandonment of the route as located by Brown, and the present route through the Alleghany Valley and thence to Dunkirk was adopted, and the hundreds of thousands of dollars that had been expended in railroad building over the old route were added to the other sums similar railroad making in the Susquehanna and Canisteo valleys had absorbed. The disappointed people of the Conewango Valley, who were to be left at last without a railroad, after all their long years of waiting and efforts in behalf of the Erie, by this abandonment of the route of 1839, made a strong endeavor to have the decision of the Company reconsidered, and succeeded so far that another engineer was sent to examine the different routes, his report to be final. This engineer was McRae Swift, and if ever a man was winced and dined and treated with marked consideration, Engineer Swift was, during the time he was studying the merits of those two routes from the Alleghany Valley to Lake Erie. He at last confirmed Silas Seymour's judgment, and that was the end of all the hopes of Conewango Valley in the railroad between Lake Erie and the Hudson River.

#### WHAT THE LAND WAS GOOD FOR.

The right of way for the railroad was obtained at different times, as work on the road progressed, and much the greater part of the right was donated by the land-owners. One notable exception to this occurred on the Seneca Indian Reservation in Cattaraugus County. The railroad had necessarily to pass for several miles through the Indian lands in the Alleghany Valley. The land needed was of no great intrinsic value, and the Company's representatives in the securing of right of way hoped to find thoroughfare through the reservation for very small remuneration, if not entirely free highway. They were much taken aback, therefore, when they had placed the matter before the Indian Council at Bucktooth (now Salamanca), to be informed by the President, a hard-headed and worldly-wise Seneca, that the Reservation required \$10,000 for right of way through its lands. The spokesman of the Right of Way Committee argued long and eloquently with the Council, explaining the great benefit the railroad would be to the Reservation and its occupants, and how they could well afford to donate right of way for the road the entire distance through the lands.

"The land we want," said he, "is of no actual use to you. You cannot raise corn on it; you cannot raise potatoes on it. What is it good for, then? It isn't good for anything."

The wily and long-headed President of the Indian Council simply grunted and said:

"Him pitty good land for *railroad!*"

That closed the argument. The Railroad Company had nothing left to do but pay the \$10,000 before it could get title to right of way through the Reservation. This money was paid in cash, and the President of the Council placed it in a leather bag and took it to his house. The next day he reported to the Council that some one had broken into his house during the night and stolen the bag and its valuable contents. The robber was never found, and to this day there are Indians on the Reservation who have their opinion about the loss of the money.

#### DRIVING THE LAST SPIKE.

The work was pushed forward, in both directions, on the Western Division, and by February, 1851, the rails were down as far west from Hornellsville as Cuba Old Station, a mile east of the present station at that place. February 5th, William A. Kimball, the second engineer to run regularly on the Western Division, ran the first train on the Erie from Hornellsville west. He had Hinkley engine No. 70, and a train consisting of a passenger car, a baggage car, and thirteen flat cars loaded with railroad iron. The road was so new and unstable that the clay of the road-bed was forced up by the weight of the train—or, rather, the rails were pressed down so in the clay that it came over the rails and stalled the train. One of the brakemen on the train lay on the foot-board of the engine and put sand on the track out of a bucket, there being no sanding attachment to the locomotives then. Kimball was nine hours getting his train to the top of the grade west of Hornellsville, thirteen miles. Trains were run as far as Cuba, principally freight, passenger trains being merely an incident, until the railroad was completed to Dunkirk and opened, May 14, 1851. There was a depot, a water-tank, and a turn-table at Cuba. Here, April 19, 1851, eleven years after the first spike was driven at Piermont, in October, 1840, the last spike was driven in the last rail that made of the New York and Erie Railroad a continuous track between the Hudson and Lake Erie. The strokes of the sledge hammer that sent this spike home were delivered by Silas Seymour, who had seen the first shovelful of dirt thrown out at the breaking of ground for the railroad at Deposit, N. Y., November 7, 1835, and who had followed the continuous construction of the railroad step by step since it was started down the Shawangunk Mountains, west of Otisville, in 1846—having located the western end years before.

April 19-20, 1851, previous to the grand opening, the officers and Directors of the road, with a few invited guests, made a trip over the line from Piermont to Dunkirk, remaining over night at Elmira. They reached Dunkirk amid the booming of cannon and the wildest enthusiasm of the people. Soon after that, Charles W. Tufts, who came from

Boston to Dunkirk in the latter part of 1850, to help set up "No. 90," the first locomotive on the western end of the road, and who subsequently went to Hornellsville to run Engine No. 73 on a construction train, was with the latter locomotive at Tip-top Summit. Suddenly, without a moment's warning, the locomotive, track and all sank in the swamp, and were almost entirely submerged. A track was built around the sink, for the use of trains, and the locomotive was extricated after a week's hard labor.

The grand triumphant completion of the railroad to Dunkirk and the monster celebration of the event at Dunkirk on May 15, 1851, are described in graphic detail on pages 94 to 109 ("Administration of Benjamin Loder"). The ocean was indeed at last united with the lakes.

#### OPENING OF THE NEWBURGH BRANCH.

It may truly be said that, aside from its value and importance as one of the many ramifications of the present Erie system, the Newburgh Branch stands as a perpetual reminder of a great crisis in the history of the Erie. If no railroad had been assured to Newburgh in 1845 ("Third Administration of Eleazar Lord," pages 76 to 83), the Company and its work would have gone down in pitiful collapse, and what the unfortunate fate of Erie might have been no one may now conjecture. For that reason the opening of this branch was an event of much moment in the history of Erie.

Ground was broken for the Newburgh Branch July 4, 1846, on land donated by Captain Robinson, in the village of Newburgh. The work shared in and suffered from all the subsequent vicissitudes that made of the construction of the main line such a desperate struggle. It was completed, and the branch was opened January 8, 1850.

*(From the Newburgh Gazette, December 15, 1849.)*

A Locomotive, with a Passenger Car attached, passed over the Newburgh Branch on Wednesday, December 15th. They arrived in Newburgh about 4 o'clock and remained an hour. Mr. Loder, the President of the Company, and several other gentlemen came as passengers. The appearance of the Locomotive excited much interest, and its entrance into the village was welcomed by a large concourse of citizens. It is said that the regular passage of freight trains will be put on the road early in January—perhaps next week.

The citizens of Newburgh held a public meeting on the evening of December 20, 1849, and made arrangements to celebrate the opening of the branch in fitting manner. Samuel J. Farnum was President of the meeting. A committee consisting of J. J. Monell, Enoch Carter, C. C. Smith, Robert A. Forsyth, David Morse, Richard A. Southwick, Samuel J. Farnum, James Belknap, Hiram Falls, John K. Lawson, Charles U. Cushman, Isaac S. Fowler, and W. L. Warren, was appointed to arrange the programme for the celebration, which they did.

January 8th was the anniversary of the battle of New Orleans, a day celebrated with much enthusiasm, especially by the Democratic party, half a century ago, and as that division of the State of New York was Democratic then, the opening

of the Newburgh Branch was made by many the occasion of a double celebration, individually, although officially only the railroad celebration was recognized.

The sleighing was fine, which brought hundreds of people in from all the surrounding country. The multitude assembled at the Newburgh depot and filled all the neighboring approaches, to await the coming of the train bearing the officers and Directors of the Company and their guests, who were to be the guests of Newburgh.

At one o'clock P.M. the train signalled its approach, and it was greeted with the booming of cannon and the vociferous cheering of the people. President Loder was prevented by illness from being present. The officers and Directors and their guests were conducted to the station platform, where F. J. Betts, Esq., welcomed them in a long and eloquent address. William E. Dodge, who seems to have been the Company's spokesman on occasions of this kind, on behalf of the officers and Directors responded in a felicitous speech.

The public repast was spread in the Company's round-house. The guests of honor were taken to the United States Hotel, where 200 sat down to dinner. Toasts were drunk, and congratulatory speeches made. The prominent speakers of the day were Gen. Joseph Hoxie, Shepherd Knapp, William E. Dodge, and others.

The public feast at the engine-house lasted during the entire day. It consisted of one ox, roasted whole, weight 761 pounds; four sheep, roasted whole and stuffed, weight 500 pounds; 600 pounds of pork and beans; 400 pounds of ham; 256 pounds of à-la-mode beef; 231 pounds of corned beef; 160 pounds of beef tongues; 400 pounds of head cheese; 1 hog, roasted whole, weight 400 pounds; 1 deer, roasted whole, 256 pounds; 300 loaves of bread, besides two loaves that weighed 150 pounds apiece; 12 two-bushel baskets of sandwiches; vegetables and fruit by the barrel. No intoxicating drinks were permitted to be served at the barbecue, but no such restriction was placed upon the distinguished guests at the hotel.

The manner in which this barbecue and feast was served attracted such wide and favorable comment that a similar entertainment, on a much larger scale, was decided upon by the citizens of Dunkirk to be one of the features of the celebration which was to occur at that place the following spring, upon the opening of the railroad between the Hudson River and Lake Erie, and the caterers who had prepared the Newburgh affair were engaged to take charge of the great Dunkirk barbecue. Their chief was Enoch Carter. The engine-house in which the public feast was given was a structure 150 x 75 feet, with a dome, or arched way, covered with heavy plates of tin. It was at that time the finest railroad building of the kind in the country.

#### EXPERIENCES OF PRESIDENT LODER.

The following extracts from private letters from President Loder, written during the construction of the railroad from

Port Jervis toward Dunkirk, although brief, tell more eloquently a story of self-sacrifice and of the magnitude of the task than a volume of detail could :

BINGHAMTON, *3d May*, 1847.—I arrived here yesterday (Sunday) morning at three o'clock, having travelled nearly all night, which, together with a severe journey on horseback over an almost intolerable road of about 100 miles up the Delaware River, and a bad cold and headache, confined me to my bed nearly all day. I shall leave during the day for Owego and Cayuga Lake.

NARROWSBURGH, *23d Feb.*, 1848.—I have just arrived at this place after a fatiguing journey on horseback—on foot—on lumber wagon—&c. Yesterday all day on horseback, riding through snow, rain, hail and slush—to-day warmer and pleasant overhead—snow about three inches ; muddy and disagreeable under foot. I feel quite well, though, and shall continue on this afternoon on horseback, and hope to reach a shanty about seventeen miles ahead by night. I will write again from some convenient point during the week.

BINGHAMTON, *28th Feb.*, 1848.—After a tedious travel on horseback and on foot over the whole line of our road, I have brought up here, where I remain for a few hours—shall leave in a few moments on a similar tour of some fifty-eight miles, and hope to be home on Saturday next. This morning is cold and snowing slightly, with appearances of a regular old-fashioned storm.

HINSDALE, CATTARAUGUS CO., 6 A. M., *Nov. 2d*, 1849.—After three days' heavy dragging through deep mud, snow and ice, and cold, rainy atmosphere, we have arrived at this place. We have now seventy-seven miles of the same kind of travelling to reach Lake Erie, which will require two more days of hard travelling.

DUNKIRK, *Monday*, 6 A. M., *Nov. 5th*, 1849.—We arrived at this place on Saturday evening after six days' hard travel through mud, snow and rain. . . . We are just about leaving on our return ; roads bad and raining hard. From appearances we shall have very hard work to reach Elmira in four days.

NEW YORK, *26th August*, 1850.—I want to go West this week as far as Hornellsville, as we hope to open to that place on Monday—shall have no jollification over forty-one miles of railroad.

NEW YORK, *17th September*, 1850.—I intend to start to-morrow morning for Hornellsville—from thence, by carriage across the country to Attica. A railroad is about being built between these two points, and I have been written to, and pressed from so many quarters to come up and go over the line that I must go. I shall go on to Buffalo.

DUNKIRK, *16th Oct.*, 1850.—I have just arrived here this evening, after a long and tedious journey over the road. It has been one of the most important visits that I have ever made, finding a vast amount of business requiring attention. My visits have heretofore been in reference to generals, this time more in reference to details. I have walked over the most difficult parts of the line, sometimes through gulfs of great depth—difficult of descent and more difficult of ascent—through bushes, briars, over logs, stumps and brush—sometimes almost impassable, and from ten to twenty miles per day. But we have arrived here to-night in good health, making six days from New York, besides Sunday. I find more difficulties, and doubt of getting through by May next, than I had expected, but still I hope to accomplish it, feeling heavily and deeply the great responsibility I have assumed, or rather what has been placed upon me by the Board

of Directors, in placing the whole business in my hands, viz. : to carry the work through by the 14th of May next, the time limited by law. Here I find a week's work on hand, and negotiations with other railroad companies of the most important character.

DUNKIRK, *16th Jan.*, 1851.—I arrived here to-day about eleven o'clock, A. M., and entered Dunkirk on a locomotive which came out from Dunkirk to meet us. . . . I find in coming over the line that a vast amount of work is yet to be done, to get our road through by the 14th May next. Mr. Allen leaves to-morrow morning on his return home, and will be the bearer of this letter. I found on my arrival here, several letters, and one from Mr. Marsh, Secretary, urging me to go to Albany to meet difficulties threatening us there. I have got to attend to business of much importance here before I leave. Hope to get through to-morrow, so as to set my face homeward on Saturday—and to get to Buffalo that night.

#### HOW IT SECURED THE JERSEY CITY TERMINUS.

The act of the New Jersey Legislature incorporating in perpetuity "The President and Directors of the Paterson and Hudson River Railroad," was passed January 21, 1831. The incorporators named were John Colt, Robert Carrick, Abraham Godwin, Jr., Richard R. Morris, William S. Buckner, Elias B. D. Ogden, and Andrew P. Hopper. The capital stock was fixed at \$250,000, the railroad to be built from Paterson to Weehawken, and from thence to any other suitable place on the Hudson River, opposite the city of New York, within fifty feet of high-water mark, with power to hold real estate at each terminus not to exceed two acres at either place, and not to approach either of the ferries at Hoboken, Weehawken, or Jersey City nearer than fifty feet, the company being prohibited from establishing any ferry for the carrying of passengers or freight. The railroad was to be a public highway, free for the passage of any railroad carriage thereon, upon payment of tolls, which were six cents per mile per ton for "property," and six cents per mile for each passenger, in the company's carriages, and half those rates for property or passengers carried in the carriages of others. The railroad was to be begun one year from July 4, 1831, and completed within five years, or charter forfeited. By an amendment to the charter, passed November 18, 1831, the company was authorized to "form a tunnel under the Weehawken or Bergen Hill," and as that "would add greatly to the expenses of working their road, and be of great public accommodation," the company was empowered, in case the tunnel was made, to charge for passing through the tunnel twelve and a half cents for each passenger and for every ton of freight ten cents, additional to the tolls already provided for. By an amendment passed February 27, 1835, the provision compelling the completion of the railroad within five years from July 4, 1831, was repealed, and provided for the use by the company of the track of the New Jersey Railroad and Transportation Company, then building through Bergen Hill to the Hudson River. A supplement to the charter, passed March 3, 1837, increased the capital stock of the company \$250,000. January 18, 1844, the company was authorized to issue bonds to the

amount of \$100,000 to purchase iron for improving the railroad.

Ground was broken for the railroad July 4, 1831, at Paterson. November 4, 1832, the railroad was opened to the junction of the Newark turnpike, at the Bergen Hill. The Hackensack River was crossed by a drawbridge, the first railroad drawbridge ever built. Ex-Governor Philemon Dickerson was the first president of the company. The equipment of the railroad was "three splendid and commodious cars, each capable of accommodating thirty passengers, *drawn by fleet and gentle horses.*" Connection was made with the New Jersey Railroad at "West End," which was the west end of Bergen Hill. The cars were drawn by horses until 1834, when a locomotive, built by George Stephenson in England in 1833, was put on the railroad and did the work for several years.

The Paterson and Ramapo Railroad Company was incorporated by the New Jersey Legislature March 10, 1841, which named as incorporators Elisha B. Clark, Cornelius G. Garrison, Abraham Godwin, David Roe, Jacob M. Ryerson, Cornelius S. Van Wagoner, John S. Van Winkle, John G. Ackerson, Charles Kinsey, Henry B. Hageman, Francis Salmon, Jacob H. Hopper, Lauriston Hall, William G. Hopper, John Ward, Christian A. Wanmaker, to construct a railroad from "a suitable place in or near the town of Paterson to some suitable point or points in or near the division line between the township of Franklin, in the county of Bergen, and the State of New York." The railroad was to be begun within two years and completed at the expiration of six years after July 4, 1843, and to be free for the passage of any railroad carriage thereon, on payment of the prescribed tolls, five cents per mile for each ton of freight and three cents per mile for each passenger, the tolls in the company's cars being ten cents per mile per ton and six cents a mile for passengers. The time for beginning the railroad was extended February 21, 1843. The stock sufficient to organize a company not having been subscribed, the Legislature authorized organization February 15, 1844. The time for completing the railroad was extended February 5, 1847, for five years from July 4th of that year.

The railroad was completed in October, 1848, and the first train was run over it November 1st of that year.

September 1, 1852, the Union Railroad Company was organized under the General Railroad Law of New York, its purpose being to build a railroad from the terminus of the Paterson and Ramapo Railroad, at the State line, to connect with the New York and Erie Railroad, at Suffern, about one mile.

October 10, 1834, the Paterson and Hudson River Railroad Company made an agreement with the New Jersey Railroad and Transportation Company to use the tracks of the latter from Bergen Junction, west of Bergen Hill, to the terminus at Jersey City, paying for the privilege six cents per

passenger and ten cents per ton of merchandise carried over those tracks. September 9, 1852, the Union Railroad Company leased the Paterson and Hudson River Railroad and the Paterson and Ramapo Railroad, with all the rights and privileges granted by their charters and by agreements with the New Jersey Railroad and Transportation Company, which leases were assigned to the New York and Erie Railroad Company September 10, 1852, and on the same day that Company leased the Union Railroad. This virtually made of the New Jersey Railroad and the Union Railroad a part of the Erie main line. The leases and assignments and agreements, of which there were thirteen in all, were signed by Benjamin Loder and Nathaniel Marsh, President and Secretary of the Erie; Gouverneur Morris and John Hopper, President and Secretary of the Paterson and Ramapo Railroad Company; Robert Bayard and John J. Zabriskie, President and Treasurer of the Union Railroad Company; John Colt and A. S. Pennington, President and Treasurer of the Paterson and Hudson River Railroad Company, and J. Phillips Phoenix and W. A. Whitehead, President and Secretary of the New Jersey Railroad and Transportation Company.

The rolling stock obtained by the Erie by the lease of the Paterson and Hudson River Railroad was as follows:

2 8-wheeled passenger cars, 60 seats, \$800.....	\$1,600
3 8-wheeled passenger cars, 56 seats, \$500.....	1,500
2 8-wheeled old cars, \$300.....	600
2 4-wheeled short cars, \$200.....	400
3 8-wheeled baggage cars (good), \$525.....	1,575
4 8-wheeled platform, \$275.....	1,100
27 4-wheeled box cars (short), \$85.....	2,295
21 4-wheeled open cars, \$70.....	1,470
2 4-wheeled short gravel cars, \$200 and \$170.....	370
Paterson engine.....	3,000
Passaic engine.....	3,500
Whistler engine.....	1,200
McNeal engine.....	900
	<hr/>
	\$19,510

February 21, 1856, the New Jersey Legislature authorized the New York and Erie Railroad Company to extend the Paterson and Hudson River Railroad, and to make a railroad from any point on the same to the Hudson River at some point opposite New York, and purchase and hold in its own name land necessary for the use of its terminal business. The Governor, Chancellor, Attorney-General, Treasurer, and Secretary of New Jersey, the Justices of the Supreme Court, and the Judges of the Court of Errors of the State, and the Members of both houses of the Legislature were permitted to travel free of charge over the railroad included in the New Jersey leases.

The Long Dock Company was incorporated by the New Jersey Legislature February 26, 1856, the incorporators being Peter Bentley, Mary Bell, Abraham O. Zabriskie, Charles G. Sisson, Homer Ramsdell, and Stephen D. Harrison. The capital stock was \$800,000. Peter Bentley, Homer Ramsdell, David S. Manners, Abraham O. Zabriskie, and

Charles G. Sisson were the first directors. It was empowered to improve the Long Dock property, south of the centre line of Pavonia Ferry, in the Fourth Ward of Jersey City, and to purchase other lands, under and above water, and to establish a ferry at or near Pavonia Avenue, to be located between South Second and North Fourth Streets, Jersey City. Work had to be begun within two years, and \$100,000 expended within five years from the date of the act.

The contract for boring the great tunnel through Bergen Hill, so that the completing and perfecting of the scheme for the Erie terminals at Jersey City might be accomplished, was let to Stanton, Mallory & Co., of Newburgh, N. Y., and the work was begun June 1, 1856. The locomotive "Eleazar Lord," Henry Shimer, engineer, hauled away the first load of stones and earth, on the track built for that purpose, and dumped them in the Hudson River, where all the excavated débris from the Bergen Hill was to be dumped, to aid in making the water-front now owned by the Erie at Jersey City, particularly at Pavonia Ferry.

The financial troubles of the Erie hindered the progress of the work on the tunnel seriously, and in October, 1857, the contractors were forced to abandon the work for lack of funds. Operations were not resumed for a year and a half. Work was rushed, and August 2, 1859, the workmen met in the two ends of the drift, and let daylight through the hill.

The contractors were again in financial straits, and the two semi-monthly pay days having been passed in September, 1859, without the men receiving their wages, they quit work September 16th, to the number of 500, and began rioting. They blockaded the Erie west of the tunnel by turning gravel cars upside down upon the tracks, and piling the road high with rocks and other obstructions. The barricades were guarded by scores of the rioters, and all efforts of the Company to clear the tracks prevented. After traffic on the road had been suspended for a day, the Company was compelled to charter a steamboat and carry passengers to Piermont, which place for the time became once more the eastern terminus of the railroad for all through trains. On the third day of the insurrection, the workmen refusing to come to terms, the Company appealed to the authorities of Jersey City. They were unable to quell the riot or clear the tracks, and the New Jersey militia was called out. Sunday morning, September 19th, a large military force, under Brigadier-General Hatfield, accompanied by hundreds of citizens, marched to the scene of the disturbance. Two large field pieces, mounted on a flat car, were carried to the spot, but the rioters welcomed the soldiers and the cannon with fierce derision. They hooted the efforts of a priest to quiet them. A strong force of police first marched upon them. They beat the police back with many broken heads. General Hatfield then ordered his men to charge the crowd with fixed bayonets. The mob gave way before the soldiers, and was soon flying in all directions. A large number of them were captured, many of them ring-leaders. They were taken to

Hudson City and lodged in jail. The tracks were cleared, but toward evening the rioters began gathering again. General Hatfield again marched against them, and captured thirty more of the mob. After that, quiet was restored. Work in the tunnel was not resumed, however, for a long time. Then A. B. Seymour assumed the contract, and operations once more began. The tunnel was completed early in 1861, and was formally opened to traffic February 6, 1861. From March, 1859, until June, 1860, the work was in charge of John P. Cumming, contractor, and J. P. Kirkwood, chief engineer. It was completed by A. B. Seymour, contractor, under the supervision of John Houston, engineer. Eight shafts were sunk eighty feet in depth. The tunnel was cut through solid rock 4,300 feet of the distance, or more than half way. Its height was twenty-three feet, width twenty-eight feet. The average number of men employed daily on the work was 700. Fifty-seven persons were killed during the tunnel construction. The opening of the tunnel was made the occasion of a great celebration, the first train through being an excursion train.

#### MAKING PAVONIA FERRY.

January 7, 1733, George II. granted to Archibald Kennedy, Esq., the sole right to run ferry-boats or scows, and to erect wharves for same, between "a place called Pavonia, alias Ahasimus," on the New Jersey side of the Hudson, and the New York side of the river. Kennedy did not act upon his privileges, and forfeited them. March 23, 1753, citizens petitioned the Common Council of New York for a ferry from "the west end of Pearl Street to Harsimus." Nothing came of that. May 3, 1765, Archibald Kennedy and William McAdam tried to get the exclusive right to run a ferry from New York to the New Jersey shore, but failed. April 13, 1818, another petition of citizens of New York City was made for a ferry between Chambers Street and Harsimus. Nothing further was heard of it, and there was no Pavonia Ferry until the completion of the Bergen Tunnel for the Erie by the Long Dock Company in 1861, although a Pavonia Ferry Company had been incorporated February 28, 1849. The Erie Railway Company revived and established the Pavonia Ferry. It began business May 1, 1861, with three old boats, the "Niagara," "Onalaska," and "Onala," which were obtained from the Brooklyn ferries. The early new ferry-boats of the Erie were the "Pavonia," 1861; "Susquehanna," 1864; "Delaware," 1865. The Twenty-third Street Ferry was established in May, 1868, and the Company built the following new boats: the "Jay Gould," 1869; "James Fisk, Jr.," 1869; "Erie," 1873.

#### HOW IT GOT TO BUFFALO AND ROCHESTER.

The steady advance of the New York and Erie Railroad into Western New York aroused intensely the people living to the north and south of it who were without any railroad

connection, and a general desire for the building of railroads to form junctions with the Erie prevailed. The region between Corning and Buffalo and Avon and Rochester were particularly exercised, because they had, until 1849, entertained strong hope that the New York and Erie Railroad would be permitted to follow the Cohocton and the Genesee valleys, and from the Genesee proceed directly to Buffalo, and make that place its western terminus, a route having been surveyed over that course and found feasible. Rochester was then to obtain connection with such a road by the building of a railroad from that city to Avon. But the Erie took the route from Painted Post through the Canisteo Valley westward to Dunkirk, the chartered terminus. Then the people between Buffalo and Hornellsville took steps to have an independent railroad to connect with the Erie at Hornellsville. The Attica and Hornellsville Railroad Company was organized, there being already a railroad between Attica and Buffalo. When it came to the building of the road, however, the Attica and Hornellsville enterprise languished, and at last seemed to have passed into a state of total collapse. Then the people in the Genesee and Cohocton valleys resolved to have a railroad that would connect Buffalo with the New York and Erie Railroad for their sole benefit. A route for one was surveyed, and also for a railroad to connect with it at Avon and extend to Rochester. The engineer's report being favorable (the connection with the Erie to be made at Painted Post, N. Y.), John Magee, of Bath, with others interested, consulted with the directors of the Attica and Hornellsville Railroad, for the purpose of learning whether that company intended to proceed with its road, for it was not possible that the aid of Buffalo could be obtained for two railroads from that city to connect with the Erie. The result was that it was agreed to abandon the Attica and Hornellsville Railroad in favor of one by way of Painted Post, and citizens of Buffalo agreed to raise one-third of the cost of a railroad over that route. July 25, 1850, the Buffalo and Cohocton Valley Railroad Company was incorporated with a capital of \$1,400,000. John Magee was elected President; Orson Phelps, Vice-President; Edward Howell, Jr., Secretary; A. D. Patchin, Treasurer. In September following, however, the project of the Attica and Hornellsville Railroad was revived. This discouraged some of the prime movers in the Cohocton Valley route, but citizens of Livingston and Genesee counties declared at public meetings that the road from Batavia to Painted Post could be built independently of Buffalo, and went to work to do it. Many humble citizens along the route mortgaged their homes and farms to get money to put into the stock, the mortgagees being in some cases officers or directors of the company.

The work was put under contract, and progressed steadily. March 3, 1852, the name of the company was changed to that of the Buffalo, Corning and New York Railroad Company. The total cost of the railroad was to be \$1,706,000 without equipment, or \$1,950,000 with equipment. The construction cost was covered by the stock subscriptions, of which nearly \$500,000 had been paid in. Early in April,

1852, for the declared purpose of raising funds to pay for the equipment of the railroad, the directors of the company mortgaged its property and franchises for \$1,000,000, to secure the payment of bonds for that amount to be issued by the company. The railroad was opened for operations between Painted Post and Kennedyville, at the Livingston County line, April 13, 1852, a distance of forty-five miles. The issue of bonds had filled many of the stockholders along the line with apprehension. This feeling was made stronger when, in March, 1853, the directors executed a second mortgage upon the franchises of the corporation for \$600,000 to secure an issue of bonds to that amount. The road was completed to Batavia in 1854, when work ceased.

October 1, 1855, the company defaulted in the interest on its first mortgage bonds, and December 1, 1855, on the coupons of the second mortgage bonds. Proceedings in foreclosure were begun. Many of the stockholders believed that this default was utterly uncalled for, and the result of collusion, for the purpose of throwing the company into bankruptcy and giving the bondholders, chief among whom were directors of the company, an opportunity to profit themselves by the sale of the road, regardless of all stockholders' rights. Charges to that effect were made against the managers and directors, and the Board of Railroad Commissioners was petitioned to investigate them. An investigation was ordered, and was begun August 13, 1856. A general denial was entered by the accused.

No report was ever made by the Railroad Commissioners as to their finding in this investigation. The reason for that was this: The Board of Railroad Commissioners, which had been in existence for two or three years, had proved to be extremely harassing to the railroads of the State, especially to the Erie and the New York Central. The Commissioners were clothed with much power, and were authorized to make close inquiries into all the details of railroad management in this State, and report to the Legislature and recommend legislation which seemed to them necessary to correct and improve such management. This was at times very inconvenient for boards of directors and railway officials, as it had a tendency to keep the public too well informed in regard to their ways and means. Dean Richmond was then the power in the New York Central Railroad Company, and Alexander S. Diven was a potent factor in the affairs of the Erie. In the fall of 1856, Richmond, in an interview with Diven, suggested that it would be a good thing to do away with the inquisitive Railroad Commission, and intimated that he had a plan for repealing the act under which they were organized. The Commissioners were paid good salaries by the State, and it was not at all likely that they would sit idly by while they were being shorn of their comfortable perquisites. Richmond suggested to Diven that the latter draft a bill that would repeal the Railroad Commission Act, have it presented at the coming session of the Legislature, and he would do the rest. The bill was drafted, and during the ensuing session was introduced in the Assembly. No one appeared in opposition to it, much to the surprise of the legislators, and it was passed,

was signed by the Governor, and the Board of Railroad Commissioners passed out of existence. Dean Richmond had offered the Commissioners \$25,000 not to oppose the repeal. A bird in the hand being worth two in the bush, the Commissioners accepted the bribe and were content. The New York and Erie Railroad Company refunded to the Central one-half the purse of consolation. This was about the time that Commissioner Swain was taking testimony in the Buffalo, Corning and New York Railroad investigation. Before the work was entirely done he had been legislated out of office, and there the matter rested. And there it rests to this day.

The stockholders of the Buffalo, Corning and New York Railroad Company sought to prevent the foreclosure sale of the property in the courts, but the courts sustained the contentions of the bondholders. October 31, 1857, the railroad and all its franchises were sold for \$3,000,000 for the benefit of the bondholders. Every dollar that had been invested along the line in the stock of the Company was swept away by that proceeding, and hosts of the small subscribers to the stock were ruined—the homes of not a few being sold under mortgages that had been given to obtain money to take stock in the railroad—the larger stockholders having exchanged their stock for bonds, thus not only saving themselves from loss but making money on the transaction.

The company that purchased the Buffalo, Corning and New York Railroad was the Buffalo and New York City Railroad, the original Attica and Hornellsville, which was reorganized October 29, 1857, as the Buffalo, New York and Erie Railroad Company. October 1, 1858, this company leased the Rochester and Genesee Valley Railroad, extending from Avon to Rochester, eighteen miles, and which had been opened in 1854, connecting with the Buffalo, Corning and New York Railroad.

The Attica and Hornellsville Railroad had been originally chartered May 14, 1845, to build a railroad from Attica to Hornellsville, which charter was extended in 1849, with a provision that other railroad companies could take stock in the company. As stated above, work was begun on such a railroad in the fall of 1850. April 15, 1851, the name of the company was changed to that of the Buffalo and New York City Railroad Company. The railroad was opened between Hornellsville and Portage, thirty miles, January 22, 1852, and owing to want of locomotives the company was able to run but one train a day each way. That train was drawn by the locomotive "Orange," the famous Erie locomotive, which had been purchased from the Erie in October, 1851, for the work of construction on the new railroad. A new locomotive was received March 22d, and then the "Orange" was put to work hauling iron for the rest of the road. July 26th the railroad was finished to Attica, ninety miles. Trains had begun running in connection with the Erie at Hornellsville, May 3, 1852.

A brilliant feat of engineering was performed in carrying this railroad over the great chasm through which the Genesee River passes at Portage, a chasm 250 feet deep and 900 feet wide. How to bridge it was a puzzle to the engineering

science of that day, and not until a congress of engineers was called was the definite plan of building this one-time wonder of the world in bridge architecture decided. It was built entirely of wood, in fifty-foot spans, with a height of 230 feet above the river. The bridge was nearly two years in building, and took the product of over 300 acres of closely grown pine lands, amounting to 1,600,000 feet of timber, 106,280 pounds of iron, and cost \$175,000. The bridge was completed August 9, 1852. The locomotive "Orange," which had been used in the construction of the railroad, drew the first train across—four cars filled with people. Among them were Governor Hunt and Lieut.-Governor Patterson, of New York; Benjamin Loder, President of the Erie; and President Heywood, of the Buffalo and New York City Railroad. The event was made a great celebration. This bridge was used until the spring of 1875, when it was destroyed by fire. In forty-seven days from the burning of the old bridge trains were passing over the present spider-like iron structure. This bridge, 850 feet in length, is broken up into spans varying from 113 feet to 50 feet. The Portage Bridge is one of the famous attractions to the tourist over the Erie, and to the local pleasure excursionists.

The Buffalo and New York City Railroad had a hard time to exist. Early in 1854 the financial condition of the company was such that a committee representing the bond and stockholders and creditors of the company was appointed to investigate its affairs and report some plan by which it might be placed on a substantial footing. Pending the result of this investigation, the committee learned that Aaron D. Patchin, president of the company, had been made the lessee of the railroad and its property by the board of directors, May 20, 1854, he having purchased, March 21st previously, the rolling stock, which was sold under foreclosure of a chattel mortgage, and which had cost \$275,000, for \$10,000, and held it in his own name. The Erie had been operating the road, and improved it greatly. By the terms of Patchin's lease he was to pay to the company monthly what was left of the gross receipts of the railroad after he had paid himself 10 per cent. from them, and all the expenses of the railroad. This arrangement discouraged the investigating committee, and December 11, 1854, the railroad was sold under foreclosure, and the property was purchased by Patchin, who continued to run the railroad during 1855. In 1856 the Erie operated the road again, and spent \$75,000 in repairs. January 1, 1857, the railroad was sold under foreclosure, and was purchased by Patchin again. At the last reorganization, when the company became the Buffalo, New York and Erie Railroad Company, in October, 1857, and purchased the Buffalo, Corning and New York Railroad, it seemed to have a future. It finished that railroad from Batavia to Buffalo, and ran it as a connection of the Erie, in a haphazard, unsatisfactory manner, until 1863, when the Erie Railway Company leased it for 450 years, at a rental guarantee of the interest on its bonds at 7 per cent. per annum, the leasing Company to stock, operate and maintain the road at its own expense. The Erie also leased the

Rochester and Genesee Valley Railroad, and thus the new acquisition became known as the Rochester Branch of the Erie, and until the Delaware, Lackawanna and Western Railroad Company extended its line through that country to Buffalo and Rochester, in 1880, and became a competitor of the Erie for the traffic of that region, the Erie conducted the Rochester Branch in a manner better calculated to drive patronage away from it than to attract business to it. The railroad came into the possession of the Erie by the reorganization plan of 1895, and is now part of the property of the Erie system, with the official designation of the Rochester Division.

In 1861, however, the Buffalo, New York and Erie Railroad, between Hornellsville and Attica, had become permanently a part of the Erie system ("Administration of Nathaniel Marsh, Receiver," page 134), and the Erie, by its lease of the railroad between Painted Post and Buffalo, secured a terminus at Buffalo for all time, and any hope that Dunkirk might have had of being eventually made great by the Erie disappeared forever.

The first superintendent of the Buffalo, Corning and New York Railroad was Jared A. Redfield; of the Buffalo and New York City Railroad, Silas Seymour.

#### "THE NYRANO."

In 1836, in anticipation that the New York and Erie Railroad would be constructed, and that it would pass through the valley of Casadaga Creek, in Western New York, citizens of Chautauqua County obtained a charter for a company to build a railroad from a point near the junction of the Casadaga Creek and the Chautauqua Lake outlet, upon the line of the New York and Erie (which had been surveyed to run near the village of Jamestown), to the western boundary of the State, in the direction of Erie, Pa., a railroad being then in contemplation from the State line through Pennsylvania to Erie Harbor. But the troubles of the New York and Erie Railroad Company at that early stage of its existence dashed the Western New York people's hopes of the coming of the railroad from the East, and that pioneer project for a railroad to give the Erie a link toward connection with the West was abandoned.

The opening of the Erie to Dunkirk in 1851, however, aroused interest anew for railroad communication, the later surveys of the Erie route having left Jamestown thirty-four miles distant from that railroad, although the first meeting to urge the building of a railroad between the Hudson River and Lake Erie was held at Jamestown in 1831, and the first notice of application for a charter for such a railroad was adopted at that meeting and published. The result was the organizing of the Erie and New York City Railroad at Jamestown, June 30, 1851, to build a railroad from what is now West Salamanca, through Randolph and Jamestown, to the Pennsylvania State line. The work was not begun until May 19, 1853. It was abandoned January 5, 1855, for lack of funds.

Before this project of the Erie and New York City Railroad had developed, however, Marvin Kent of Franklin, Trumbull County, Ohio, conceived the idea of connecting the then nearly or quite constructed Erie with the embryo Ohio and Mississippi Railroad, by one direct six-foot road. He was proprietor of a glass works, a woollen factory, a flouring factory, etc., at Franklin, and was then constructing a cotton factory. He wanted railroad connections, and March 10, 1851, procured a charter from the Ohio Legislature for a railroad he had in mind. When the charter was introduced in the legislature, the title of the proposed railroad was given as "The Coal Hill Railroad," a *ruse* to repel the lobby sharks, whom a revelation of the real nature and extent of the enterprise might have summoned to impede or blackmail the undertaking. Nobody cared about or thought of "The Coal Hill Road," but on its third reading, and just before its passage, the name was quietly changed to "The Franklin and Warren Railroad Company." This was one of the very last charters granted under the old Constitution of Ohio and it gave authority to build a railroad from Franklin to Warren, in that State, and to extend it eastward to the State line, and southwesterly to Dayton. Under this charter the Franklin and Warren Railroad Company was organized. Work on the railroad was begun in July, 1853. Henry Doolittle and W. S. Streater were the contractors. In September the Company, under authority of an act of the General Assembly of Ohio (January 12, 1853), changed its name to The Atlantic and Great Western Railroad Company. Marvin Kent was the first president.

The ultimate object of the projection of this work was communication with New York and Eastern markets by connection with some through line in that State. The Erie was open between Dunkirk and New York, and the New York Central had come into existence on the consolidation of the five local railroads between Albany and Buffalo. But to form any connection with either of those trunk lines it was necessary that the Ohio interests should have a railroad through Pennsylvania, and that was not an easy thing for a foreign corporation to secure in those days. The Pennsylvania Railroad was completed from Philadelphia to Pittsburg, and work was in progress from Pittsburg to Cleveland. The Sunbury and Erie Railroad was projected from Sunbury to Erie Harbor, and the Pittsburg and Erie Railroad from Pittsburg to Erie. Neither of these lines was yet built. There was no railroad across the State of Pennsylvania between Ohio and New York, and such transit was jealously guarded against by the selfish interests of Philadelphia, Pittsburg, and Erie. Railroad charters in Pennsylvania could only be granted by legislative enactment, and all legislation was controlled by the united interests of those cities. Many attempts had been made to pass the barrier by open and covert attempts in the legislature, without avail. The decision had gone out that all land commerce to and from the East, through Pennsylvania, must pass by way of Pittsburg and Philadelphia.

This was the embarrassing dilemma the projectors of the

Atlantic and Great Western undertaking were in, when it was found that under the liberal privileges of the Pittsburg and Erie Railroad Company's charter as to the construction of branches of the main line, a branch could be constructed from the Ohio line, near Kinsman, across Pennsylvania to a point in Warren County at the New York State line. To further the interests of its own railroad project, the Philadelphia and Erie Company was willing to permit the building of such a branch by Meadville interests under its charter.

October 8, 1852, a meeting of representatives of various railroad interests was held at the American Hotel, Cleveland. The Mahoning Railroad Company was represented by Jacob Perkins, president; the Clinton Line Railroad by Prof. H. N. Day, president; the Franklin and Warren Railroad Company by Judge Kinsman, Marvin Kent, Dr. Earle, and Mr. Boyer; the Cleveland and Ashtabula by Judge Humphreys; the Erie and New York City by Judge Benjamin Chamberlain; the Pittsburg and Erie by Dr. William Gibson, David Garver, and E. Sankey; and the Meadville interests by William Reynolds and D. A. Finney. The object of the meeting was the consideration of the proposition of the Philadelphia and Erie as to the branch through Pennsylvania. As the New York connection naturally was to be by way of the New York and Erie Railroad, a committee consisting of Prof. H. N. Day, E. Sankey, Henry Doolittle, Judge Church, and William Reynolds of Meadville, was appointed to confer with President Loder of the Erie. The conference took place October 26th. As a result, the Erie made, at its own expense, a preliminary survey in Pennsylvania to ascertain the character of the route of the proposed branch, which was so vital to the interests involved. Thus it was that the Erie's association with the Atlantic and Great Western began even before that railroad itself had a beginning. The report on the route was satisfactory. On August 19, 1853, ground was broken with much ceremony at Meadville, and work was begun. This contract was abandoned after a few miles had been graded. The Erie had held out the hope that it would be able to give some financial aid to the enterprise, but its own financial straits prevented. April 3, 1857, the Meadville Railroad Company was chartered by the Legislature of Pennsylvania to build a railroad from Meadville to Erie, Pa., and was vested with the right to receive from the Pittsburg and Erie Company a transfer of the latter's branching privileges. This opened a way for the route from Ohio to New York. July 13, 1857, the Company was organized. William Reynolds was chosen president. July 23, 1857, the Pittsburg and Erie Company made sale and transfer of its branching privileges to the Meadville Railroad Company for \$400,000. July 27th, the transfer was ratified by the Meadville Railroad Company, and a contract made with A. C. Morton, for the construction of the railroad. August 31st, Morton made a construction contract with the Erie and New York City Railroad, and he and Henry Doolittle went to Europe to push negotiations for money and iron. A deed of trust was executed for that purpose, and bonds prepared to the amount of \$2,500,000. Then the memorable panic

of 1857 came on, and the money was not forthcoming. Morton and Doolittle returned home. Morton was unable to go on with his contract, and it was cancelled; and April 16, 1858, another one was closed with Henry Doolittle and W. S. Streator.

April 15, 1858, by a supplement of the charter of the Meadville Railroad Company, the name was changed to the Atlantic and Great Western Railroad Company of Pennsylvania. The infant project of 1851 was taking on proportions that required stupendous effort to sustain it. Investors at home were timid. Foreign money and influence alone could keep the project alive. Recognizing this necessity, the Ohio and Pennsylvania companies appointed C. L. Ward, Henry Doolittle, and William Reynolds to visit Europe, with full powers to negotiate for the sale of bonds and the purchase of iron. Ward and Doolittle went to England, and there made contracts with James McHenry to furnish money and iron for the contract. Such was the coming of McHenry into the enterprise, the future of which was to involve him and it and the Erie in such a labyrinth of costly trouble, and to feed the great lawyers and courts and legislatures and money lenders with millions that should have either been left in the pockets of confiding investors or over in the treasuries of the companies concerned.

The arrangement made with James McHenry was conditional, the condition being that T. W. Kennard, an eminent railroad engineer connected with the house of McHenry, should, on examination, approve the enterprise. In November, 1858, Kennard came to America as the representative of McHenry and other European interests. He went over the entire line of the railroad, and made a favorable report to London. In July of that year Salamanca, of Madrid, a Spanish nobleman, placed one million of Atlantic and Great Western bonds in that country.

In 1859 the company saw the necessity and advantage of a greater consolidation of interests. It had as yet no organization in New York; so, under the provision of the general railroad law of the State, such an organization was perfected May 7, 1859, under the name of the Atlantic and Great Western Railroad Company of New York. William Reynolds, of Meadville, Pa., was elected president by a strong Board of Directors, among them Gaylord Church, James J. Shryock, John Dick, A. V. Allen, and William Hall. The first important move of this company, after executing a contract of mutual guarantee of the bonds of the three separate companies, was the purchase, by legislative authority, of the line of the Erie and New York City Railroad, and the making of a contract for construction with Henry Doolittle and W. S. Streator, James McHenry contracting to make sale of the bonds of the company. Work was begun in May, 1860, and the road opened to Jamestown September 11, 1860, and to Corry May 7, 1861. But then financial difficulty obtruded itself again in the way of the work, and further operations along the line were suspended. The Civil War had come upon the country, absorbed popular interest, and disarranged plans in general. Another call for foreign aid for the rail-

road was decided upon, and in August, 1861, Henry A. Kent and William Reynolds were appointed by the three companies, with T. W. Kennard, to visit Europe to solicit such aid. The Committee visited London, and, with James McHenry, went to Paris to see the bankers of Duke Rienzares and Queen Christina, and thence to Madrid to see Salamanca, in the interest of the mission. All questions were satisfactorily adjusted for renewal of the work on the railroad, when the cloud of war with England raised by the seizure of the mail steamer Trent by Commodore Wilkes again brought matters to a stand, and it was far into 1862 before work was resumed.

March 12, 1862, for greater convenience of the companies, the general control was placed under a central board of two directors from each of the companies. It was made up as follows: The Ohio Board, Marvin Kent and W. S. Streater; the Pennsylvania Board, William Reynolds, John Dick; the New York Board, A. F. Allen, T. W. Kennard. William Reynolds, President of the Board.

During this same year the line to Franklin was contracted for by James McHenry. This was subsequently extended to Oil City, to which place it was completed in June, 1864, being the first railroad into the oil regions.

In February, 1863, Sir Morton Peto became interested with James McHenry in the affairs of the Atlantic and Great Western.

In July, 1863, the Cleveland and Mahoning Railroad was leased for ninety-nine years by the Atlantic and Great Western, and an additional rail laid thereon, so as to give the latter a broad track into Cleveland.

The opening of the Atlantic and Great Western Railway to Cleveland, "completing the broad-gauge connection between the Atlantic and the lakes," was celebrated at Cleveland November 18, 1863.

Great embarrassment was, of course, constantly present in the prosecution of the work, as a result of the war and the great premium on gold; yet, in the face of all the difficulties, the work was brought to a successful termination, and the last spike was driven connecting the Atlantic and Great Western with the Cincinnati, Hamilton and Dayton Railroad at Dayton, June 20, 1864. On this memorable occasion the three companies were represented by their officers, and a banquet was given by S. S. L'Hommedieu, president, and A. McLaren, superintendent, of the Cincinnati, Hamilton, and Dayton.

The completion of the Atlantic and Great Western made a broad-gauge connection from New York to St. Louis, a six-foot gauge having been laid on the Cincinnati, Hamilton, and Dayton to Cincinnati.

President Reynolds's connection with the enterprise was terminated October 1, 1864, after the work of twelve years. He resigned because of the desperate financial condition of the Company, and the impossibility of controlling the expenditures of the European parties at interest. During the early years of the enterprise the control was with the American boards, and the business was carefully managed, but as the

work progressed the European association found increasing difficulties in negotiating securities, and, in contravention of express instructions, hypothecated large amounts of the bonds. This was the beginning of a perpetual financial trouble. The war, the stoppage of specie payments, the high rate of exchange and price of gold, were factors which had not been taken into account at the commencement of the work. However this may have been, the companies were not satisfied with the manner of expenditures, which they regarded as in many cases extravagant. But as the foreigners were furnishing all the money it was a difficult matter to control.

William Reynolds was succeeded as president of the Atlantic and Great Western Railroad Company by James Robb, formerly a New Orleans banker. He was in office but three months, when he resigned, for the same reasons that had led President Reynolds to resign. He was succeeded by S. S. L'Hommedieu, but the burden of the foreign contingent was too great to be borne, and the Company went into the hands of a receiver, April 1, 1867. The receiver was Robert B. Potter, of New York. The railroad was operated under his direction until December, 1868, when the Erie Railway Company leased it for a term of twelve years, the minimum annual rental to be \$1,800,000, which was to be increased by whatever sum 30 per cent. of the net earnings of the railroad would yield. Jay Gould was then President of the Erie. James McHenry brought another suit for foreclosure, but he was now dealing with men who were past masters in the art of legal manipulation when it came to receiverships, and before McHenry had moved beyond the preliminary steps in his suit, Judge Barnard, in April, 1869, had acted on the motion of Gould, and appointed Gould and W. A. O'Doherty receivers of the Atlantic and Great Western. This receivership was transferred to Reuben Hitchcock, of Cleveland, in November, 1869. In February, 1870, a second lease of the railroad was made to the Erie, pending foreclosure. The sale under foreclosure occurred October 2, 1871, and the property was purchased by Gen. George B. McClellan and William Butler Duncan, with others. The company was reorganized under the name of the Atlantic and Great Western Railroad Company of New York. November 7, 1871, it was consolidated with the Atlantic and Great Western Railroad Company of Pennsylvania, under the name of the Atlantic and Great Western Railroad Company of New York and Pennsylvania. November 20, 1871, these were consolidated with the Atlantic and Great Western Railroad Company of Ohio, under the old name of the Atlantic and Great Western Railroad Company.

In the organization General McClellan was elected president. He was succeeded by J. H. Devereaux, of Cleveland. The property had now virtually passed into the absolute possession of McHenry and foreign bankers, and it was the power they possessed through it that led to the "rescue" of the Erie Railway Company from the control of Jay Gould, in 1872. While Peter H. Watson was President of the Erie, and near the close of his administration, in May, 1874,

McHenry succeeded in leasing the Atlantic and Great Western Railroad to the Erie for ninety-nine years, on terms generous to the lessor. This lease was repudiated by President Jewett, who succeeded Watson at the head of Erie. December 10, 1874, the Atlantic and Great Western went into the hands of a receiver again—J. H. Devereaux—and the long, tedious, costly Jewett-McHenry, McHenry-Jewett litigation came, to make scandalous chapters in the history of both companies.

In January, 1880, the property was again sold at foreclosure to five trustees, who represented the old security holders, and who organized the New York, Pennsylvania and Ohio Railroad Company. By this arrangement the Company was controlled by the bondholders in England.

J. H. Devereaux was elected president of the new company, and the offices were removed from Meadville to Cleveland. In 1880 the gauge of six feet was changed to the standard gauge. The capitalization in 1875 was \$108,687,602, or \$228,000 per mile. In 1880 it was \$132,500,000, or \$313,128 per mile. In 1894 it was \$169,473,168, or \$395,000 per mile.

March 6, 1883, the railroad was leased by the Erie, under Hugh J. Jewett ("Administration of Hugh J. Jewett," page 262), Jarvis M. Adams then being president of the lessor company, and February 24, 1896, the property was sold under foreclosure, at Akron, O., by Receiver John Todd, and was purchased by representatives of the Erie Railroad Company, to which company it was transferred ("Administration of Eben B. Thomas," page 283), and it began, with the Erie, an unharassed career at last.

James McHenry was the son of a well-known physician of Larne, County Antrim, Ireland, who came to this country in 1817 when James was but six weeks old. He settled at Philadelphia, where he practised his profession successfully for many years. The son grew to manhood in that city. While yet a youth he became clerk to a large mercantile house there, and in time a member of the firm. The death of his father in 1845 placed him in possession of resources ample to set in operation a scheme he had long contemplated—the establishing in Great Britain of a market for the sale of American products in that country. He pushed the project without delay, and founded a house at Liverpool. He is credited with having been the first to import to England American butter and cheese. The venture was so successful that consignments from this country to the house of McHenry & Co. frequently reached the enormous quantity of twenty shiploads a day. But notwithstanding the apparent prosperity of the house, financial disaster overtook it within a year, and its creditors compromised at a very few cents in the dollar. McHenry engaged in other pursuits, and was so successful that within a few years he paid the debts of McHenry & Co. in full, although he was not legally bound to do so.

When the Atlantic and Great Western Railroad, whose subsequent career had so much to do with the difficulties

and scandals that are a large part of the history of Erie, was projected, James McHenry became interested in it, and had no difficulty in inducing abundant English capital to invest in the enterprise. He took the contract for the construction of the railroad on such terms that he was able, subsequently, to acquire absolute ownership of it. His idea throughout was to make it a necessary possession of the Erie Railway Company on conditions that would relieve him of its complications. The story of the results of his efforts toward accomplishing such an end is told in the chapters on the administrations of Jay Gould, Peter H. Watson, and Hugh J. Jewett.

The Duke of Salamanca, the financial adviser of Queen Isabella of Spain, had subscribed largely, at McHenry's request, toward the building of the Atlantic and Great Western Railroad. After the Spanish Revolution, Queen Isabella and her son Alfonso found refuge at McHenry's splendid home, Oak Lodge, Kensington, London. It was through McHenry's efforts that Henri Bischoffsheim, the London banker, became financially interested in the restoration, and the two men provided the funds which helped place Alfonso to the Spanish throne.

There also existed a strong friendship between McHenry and Emperor Napoleon III., and when the Empress Eugenie and the Prince Imperial fled to England, after the downfall of the Empire in 1870, it was at Oak Lodge that they found welcome shelter and unbounded hospitality. The Prince Imperial was educated at Woolwich, and McHenry willingly became interested in schemes looking toward the restoration of the Empire, with the young prince at its head. These schemes were in progress when the final blow to the restoration was given by the death of the Prince Imperial in England's Zulu war.

James McHenry numbered among his close friends many distinguished Americans as well as foreigners. His nature was generous and sympathetic. It was in a burst of generosity that he purchased the magnificent estate at Glen Cove, L. I., and presented it to his then friend and adviser, S. L. M. Barlow, later so conspicuous in the Erie-Atlantic and Great Western entanglements.

In personal appearance James McHenry was not unlike that of his persistent foe, Hugh J. Jewett. A prominent nose, heavy jaws, and firmly set lips gave to his smooth-shaven face an appearance of unusual strength. His manner was earnest at all times, but courtesy marked it throughout. He died March 27, 1891.

#### THE BRADFORD BRANCH.

The Buffalo, Bradford and Pittsburg Railroad Company had its origin as the Buffalo and Pittsburg Railroad Company, which was organized at the Tift House, Buffalo, N. Y., October 13, 1852, under the general railroad law of New York State. Orlando Allen was elected president. The purpose of the company was to construct a railroad that would connect Buffalo with the semi-bituminous coal fields of

Northern Pennsylvania. Contracts for grading a section of the road between Ellicottville and the Pennsylvania line into the valley of the Tunungawant, and for the road from Ellicottville to Buffalo, fifty miles, was let, but the work was soon abandoned. March 14, 1856, the Buffalo and Bradford Railroad Company was chartered by the Pennsylvania Legislature, to build a railroad from the New York State line, in the valley of the Tunungawant Creek, up the valley to the coal mines in Lafayette township, McKean County, Pa., with the privilege of constructing lateral lines in the counties of McKean, Elk, and Clearfield, and to intersect with the Sunbury and Erie Railroad and Allegheny Valley Railroad, the railroad to be begun in ten years. Daniel Kingsbury, who owned large tracts of what he believed to be valuable coal lands in that region, which was then an undeveloped wilderness, was the projector of and principal stockholder in the company, which was organized with Kingsbury as president. Frank Williams was chief engineer. Augustus W. Newell, still living in Bradford, was of the engineer corps of that pioneer railroad in Northern Pennsylvania. His reminiscences of the work, as related to the author of this history, are interesting :

"We commenced the survey very early in the spring of 1856, the snow in the hemlock swamps, the heavy down timber, and dense underbrush rendering the work almost impossible. There were very few settlers, and of very little means, living in small log houses, except in the villages. The roads up the valley were almost impassable, and a bob-sled drawn by a pair of oxen was a conveyance common in summer as well as winter. I was assistant engineer ; or, in other words, I did the work. Every centre stake and every level was set by me from Erie Junction, now Carrollton, to Bradford. Our first contractors were King & Loomis, and afterward John S. King, who graded the road to Bradford and seven miles up the West Branch.

"We got the rails laid to Bradford. The 'Orange' was the first locomotive. We had an engineer, fireman, express car, and one or two brakemen, and I think several conductors. The receipts did not pay the running expenses, and the trains were discontinued after a few weeks. I did not get my pay for services on the road (and never did).

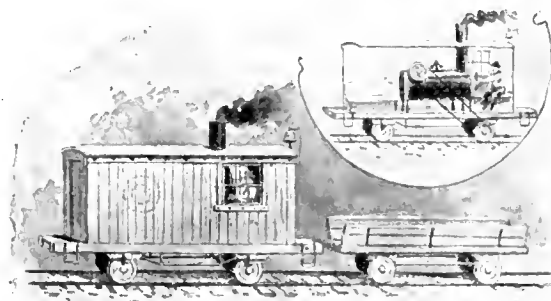
"The road was abandoned for a time, and briars and weeds grew up the whole length of it. I bought a hand-car and tried to make a living that way, and that was work. Then I took a set of wheels and boxes from a gravel car and made a covered platform car. Upon this, after much difficulty, I placed a little five-inch single-cylinder engine, formerly used in drilling oil wells, connecting it by a belt to a pulley on the axle. To the surprise of all, I made it work, and I made it pay. I ran this engine about one and a half years. I was 'busted,' a bankrupt, and mighty few friends ; but \$10 a day and upwards that I made running my train soon brought them back and brought the road into notice.

"My old friend Charles Minot, Superintendent of the Erie, I took over the road. He enjoyed the trip heartily. He and his friends in the Erie bought out the company, putting me

in as one of the new directors. We then changed the road to its present location. I continued to operate the road on shares for a year or more, employing my own men, until my contract expired, when a conductor named Kerr took the train. Joe Haggerty was engineer. He was a brother-in-law of H. G. Brooks.

"Daniel Kingsbury was an uncle of mine, and was the sole owner of the road at the time the Erie, or its officers, rather, bought it. The present coal beds now owned and worked by the Erie were a part of his lands. He failed to get an outlet during his lifetime."

In 1859 the Buffalo and Bradford Railroad and the Buffalo and Pittsburg Railroad companies were consolidated under the title of the Buffalo, Bradford and Pittsburg Railroad Company. In 1863, the railroad then being built as far as the hamlet Littleton (now the city of Bradford), Samuel Marsh, Vice-President of the Erie ; Charles Minot, Superin-



NEWELL'S PIONEER TRAIN (INTERIOR AND EXTERIOR).  
DRAWN FROM A SKETCH BY MR. NEWELL.

tendent of the Erie ; John Arnott, Dorman B. Eaton, and others interested in the Erie management, believed there was a future in the wilderness railroad, and purchased it for a song from Daniel Kingsbury. They extended the road to Buttsville, Pa., and leased the operating of it to A. W. Newell, the Erie furnishing the rolling stock, as above stated by Mr. Newell, and with the result mentioned. In 1866 the purchasers of the railroad, the expected developments in coal and mineral not having been made, and all of the proprietors being Directors in the Erie, disposed of the property by perpetual lease to the Erie, on terms that netted them a small fortune each. How the stock of the road was used by Daniel Drew in his Erie stock manipulations is told on page 149 of this history. In 1873 the large purchase of coal lands in the region was made by the Erie, and in 1875 the Bradford region became the Mecca of oil producers, and for ten years was the petroleum centre of the world. The Bradford Branch of the Erie at once became the most valuable collateral property the Erie had. Under the Jewett administration the railroad was extended to Johnsonburg ; the great Kinzua Viaduct was built in 1882, and the railroad that was alone in an unbroken wilderness a few years before, became the main

thoroughfare in a region populous and productive. It enjoys the dignity now of being a division of the Erie (the Bradford Division) with a Superintendent all its own.

#### A RAILROAD WITH A MISSING LINK.

The Honesdale Branch (which is the nine miles of railroad between Hawley and Honesdale, in Wayne County, Pa.) and the Jefferson Division of the Erie are parts of a railroad for the building of which a company was chartered by the Pennsylvania Legislature April 23, 1851. What should be another part of the railroad never got any farther along than the survey between the Lackawaxen Valley at Honesdale and the headwaters of the Starucca Creek, between Carbondale and Lanesboro, Pa. Why the railroad should be called the "Jefferson Railroad," there being no county or town or stream or locality through which it runs or was intended to run that bears or ever did bear the name of Jefferson, is frequently a source of curious inquiry, and no one who ever made the inquiry has had his question answered, for the reason that for years only one person living has known the answer to it, and he never happened to be the person of whom the inquiry was made. As the history of the Jefferson Railroad is virtually a part of the early and later history of Erie, its story, in itself interesting, belongs to this chronicle.

When the necessity for the Erie to enter Pennsylvania with its railroad became apparent to the Company more than fifty years ago ("Administration of Benjamin Loder," pages 87 to 90), the people of Wayne County, Pa., knowing that the Susquehanna Valley could be reached by a much shorter route through the interior of that county than by the one from Lackawaxen through the Delaware Valley, made vigorous effort to induce the Company to adopt that route, the saving in distance being estimated at from seventeen to twenty miles. Meetings of the people were held and addressed by prominent men, to awaken an interest in the matter that would have its influence on the Erie and on the Legislature. For reasons then misunderstood, the Delaware and Hudson Canal Company opposed the movement. It sent its friends and employees to the various meetings, and by them every plan that was proposed in favor of the Erie route was voted down, thus giving the meetings an appearance of hostility to the measure. By this means the first application of the Erie, in 1845, for right of way through Pike County, Pa., was rejected in the Legislature, the Senator from the Wayne and Pike district being the Hon. William H. Dimmick, who was also the attorney of the Canal Company. Charles S. Minor, a leading lawyer of Honesdale, saw the advantage to that region of the coming of the railroad into and through it, and resolved to bring it about if it could be done. In 1846, however, the opposition by the Canal Company to the Erie getting entrance into Pennsylvania was withdrawn. The enabling act was passed, but permitted the railroad to be built only through a part of Pike County, which would carry the railroad on up the Delaware. Mr. Minor was still determined to help the Erie to a way through Wayne County if possible.

When the term of Senator Dimmick expired, Mr. Minor drew up a charter for a company to be known as the Jefferson Railroad Company, and the reason he called it the "Jefferson" Company was to avoid all opposition to the measure, having taken his idea from the Washington Railroad Company, which had been then recently chartered. "I believed," says Mr. Minor, who is still (1898), although an octogenarian, in the practice of his profession at Honesdale, "that if the people in this section saw a notice of the bill they would think it appertained to Jefferson County; while if the people of Jefferson County noticed it they would see that it was nothing that affected them; and thus the bill passed without attracting any attention."

But by the time the charter was passed the Erie had been extended through the Delaware Valley into the Susquehanna Valley, and was well on toward completion to Dunkirk. A survey of the route from Honesdale to the Susquehanna was made and found feasible, there being no grade exceeding fifty feet to the mile, and the distance between Lackawaxen and Susquehanna being twenty miles shorter than the Delaware Valley route. President Loder, of the Erie, having verified the survey, declared to Mr. Minor and Francis B. Penniman, who had waited upon Mr. Loder to ascertain whether the advantages of the Wayne County route would not warrant the Erie in building the railroad anyhow, that if the Erie could have gone through Wayne County originally it would have been greatly to its advantage. "But the road is now built along the Delaware," said he, "and we have no money to build another through Wayne County. At some time in the future, however, it will probably be desirable to build a road on that route."

It was necessary to raise money to pay the tax on the Jefferson charter, in order to obtain articles of incorporation, and under the circumstances there was some doubt in the minds of its sponsors whether the charter was worth it. The Hon. Thomas H. R. Tracy was a man of considerable local authority in the management of the Delaware and Hudson Canal Company then, and Messrs. Minor and Penniman resolved to consult with him on the subject. It is generally the belief to this day that the Canal Company fought the coming of the Erie into that region because it feared the railroad as a rival in the coal traffic, but, according to the revelation made by Judge Tracy to Minor and Penniman, such was not the actual cause of that opposition. When the custodians of the Jefferson charter asked Judge Tracy whether it would be advisable to pay the tax on it, he said:

"By all means! And if the amount of the tax is any consideration, the Canal Company will pay it, for we shall have occasion to use the road to send off coal one of these days. We were never opposed to the railroad. When the Erie road proposed to come into the State we were afraid the idea would go forth that it was aiming at the coal fields, and that would put up the price of coal lands. All we wanted was one year in which to buy coal lands, so we fought off the Erie the first year, bought coal lands, and then withdrew all our opposition. We are in favor of your road."

Mr. Tracy paid the tax on the account of the Canal Company, and from that time that company was friendly to the enterprise, but nothing was done toward it, and the charter lapsed.

The Washington Coal Company charter of 1849 was a revival of a charter granted by the Pennsylvania Legislature in 1839 (April 13). At the same time the Pennsylvania Coal Company was chartered, and the two companies combined. The name was changed to that of the Pennsylvania Coal Company in 1850, and the gravity railroad from Pittston and Dunmore, Pa., to Hawley, Pa., was built for the transportation of coal from the Company's mines. For years the coal was transported to market from Hawley in the boats of the Delaware and Hudson Canal Company, resulting in the frequent clashing of interests between the two companies, and in a lawsuit that was twenty years in the courts and cost each company many hundreds of thousands of dollars. To have its business on a more profitable and independent basis, the Pennsylvania Coal Company began the building of a railroad from the terminus of its gravity road at Hawley to a connection with the Erie at Lackawaxen, sixteen miles. This was in 1860. The railroad was opened December, 1863, and was leased by the Erie, and became part of that system under the name of the Hawley Branch. This connected the Pennsylvania Coal Company's mines with its storage docks at Newburgh, via the main line of the Erie and the Newburgh Branch. In 1884 the gravity railroad was abandoned, a locomotive railroad, the Erie and Wyoming, having been built by the Pennsylvania Coal Company between Hawley and Dunmore (Scranton), to connect with the Erie and take the place of the gravity railroad.

The first coal car on the Hawley Branch was loaded December 14, 1863. Passenger cars were attached to the two coal trains that were run. James Frantz was the engineer and Charles Gorham conductor of the first train into Hawley with passenger car attached, in December, 1863.

The building of the Hawley Branch of the Erie had the effect of arousing interest in the long-forgotten Jefferson Railroad scheme. March 13, 1863, the charter was revived, with an amendment authorizing the building of a branch from a point on the original survey at the Starucca Summit in Wayne County south to Carbondale—Lanesboro, Pa., having been the point of junction of the railroad with the Erie fixed in the charter. Authority was given the company in 1864 to make junction, also, with the main line elsewhere if desired. That portion of the Jefferson Railroad between Hawley and the terminus a mile below Honesdale was built in 1867-68, and opened for business July 13, 1868. The building of that part of it from Carbondale to the Erie main line was begun April 15, 1869, under an arrangement by which the Delaware and Hudson Canal Company was to provide the funds to build it, and the Erie was to operate it after it was built. Henry A. Fonda was the contractor ("Administration of Peter H. Watson," page 216), and he changed the original route of the railroad so that the intent of the projectors of the road was lost, or made difficult and improbable. This was the building

of the link from Honesdale to the Summit, at the headwaters of Starucca Creek in Wayne County. The protests of the directors of the Jefferson Company were of no avail, for the contractor had the support of Thomas Dickson, President of the Canal Company, and the Canal Company was furnishing the money to build the road. The railroad was made of greater length, crooked, and of very heavy grades by this change. Among the other costly and delaying obstacles encountered was the "sink-hole" near Ararat Summit. The rails had been put down, and cars had run over that stretch of track, when one night a quarter of a mile of the track and road-bed disappeared entirely, and a great quagmire occupied the place. Into this pit 10,000 carloads of gravel—about 100,000 tons—and 500 large hemlock trees, branches and all, were thrown without having any perceptible effect toward forming a bottom upon which a new road-bed could be founded. Then four piles, each forty feet long, were driven down, one on top of the other, before solid bottom was reached, showing the depth of the unstable spot to be 160 feet. A row of piles was driven, in the manner of the test piles, on both sides of the space required for the road-bed. They were driven close together, so close that the work required nearly 8,000 of them. These prevented the escape of anything dumped into the enclosure. For four months gravel, rocks, and forest trees entire, were thrown into the pit before the all-absorbing morass was overcome. Acres of hemlock forest were levelled to supply the trees, of which 1,500 from 50 to 100 feet high, and with a spread of branches sometimes of twenty-five feet, were used. An adjacent gravel hill, fifty feet high and covering four acres, was levelled to obtain material for building up this remarkable road-bed, and rocks weighing many tons each were tumbled into the depths before a solid way was made across it.

The railroad was completed in October, 1870, and by an arrangement made with the Delaware and Hudson Canal Company and Jefferson Railroad Company the same year, the Jefferson Railroad passed into the possession of the Erie by purchase of the stock, the Erie to reimburse the Canal Company for its advances in building the railroad, and the Erie is now the owner of the road by such stock control. The Jefferson Railroad proper is legally the line from Lanesboro, Pa., to Starucca, and that from Starucca to Carbondale is a branch, and the track from Jefferson Junction to Susquehanna is another branch, although the line from Susquehanna to Carbondale is the actual Jefferson Division of the Erie. The Delaware and Hudson Railroad runs over this railroad from Lanesboro to Carbondale, that link being part of the Pennsylvania Division of that railroad.

So the Jefferson Railroad, which might have been a portion of the Erie main line to the Erie's profit and advantage, is to this day an incomplete railroad. It never even got all the way to Honesdale from Hawley, but stopped a mile or more below that place, running a spur up to the coal shutes. At the time the Erie was negotiating for the purchase of the Jefferson Railroad, its managers entered into a contract to extend the railroad all the way to Honesdale, but as the

Jefferson franchises passed into their possession immediately, they regarded the contract as one made by themselves with themselves, and the extension never was made. During the presidency of Jay Gould, early in the winter of 1872, Gould ordered a survey of the route from Honesdale over the old Jefferson route to the Starucca Creek, and finding it entirely feasible, he agreed that if the people of Wayne County would raise \$40,000, or furnish its equivalent in right of way, he would complete the Jefferson Railroad by building the Honesdale link. Coe F. Young, then General Manager of the Delaware and Hudson Canal and that company's railroad system, assured Gould that the condition could readily be complied with, and it was decided to begin work on the railroad as soon as spring opened. Before that time came, Gould was no longer in control of Erie, and the Jefferson Railroad is still a railroad with a missing link.

A. Reeves Hankins was the first conductor on the Honesdale Branch, and William Aumick the first engineer, they running the passenger train. Coal trains began running over the branch in November, 1868.

The first train over the Jefferson Railroad was a special, on which were Jay Gould, Thomas Dickson, president of the Delaware and Hudson Canal Company, and other prominent railroad men. It was run October 23, 1870, and was in charge of A. T. Palmer as conductor, now superintendent of the Union Pacific Railroad at Kansas City. Early in November, 1870, the first traffic train—a coal train—was run over the railroad, George DeWitt conductor and Sid Luckey engineer.

It was in anticipation of the control of this new and important outlet for the coal traffic that the Gould management of Erie began laying its plans to extend and widen the field of Erie's influence and power in an entirely new territory. This ambition, laudable in itself, was not entirely aided toward attainment by the condition of the Erie's affairs and the methods of its procedure at that time, and led to what was known as

#### THE ALBANY AND SUSQUEHANNA WAR.

The Albany and Susquehanna Railroad was opened January 12, 1869. It connected Binghamton with Albany, and became a link, together with the Erie and the Boston and Albany Railroad, in a chain of railroad communication between New England and the West that seemed to bear promise of great importance. It also held the key, through projects then going forward, to the entrance of the coal traffic of the upper Lackawanna anthracite field to markets theretofore inaccessible. The Albany and Susquehanna consequently filled the eye of both the Erie management and that of those in control of the Delaware and Hudson Canal Company, and much of future importance in railroad ownership was built upon it. Much of the stock in the Albany and Susquehanna Company was owned by towns along the line, and in July, 1869, Jay Gould, acting on the suggestion of Walter S.

Church, a leading director in the company, who was opposed to the rule of James H. Ramsey, president of the company, quietly sent out agents to buy up the stock of the different towns, with the intention of getting a majority of the holding, so that he might control the next election for directors, and thus get possession of the railroad in the interests of Erie. The movement came to the knowledge of Ramsey, who began a counter-campaign to checkmate Gould. The courts were kept busy for months issuing injunctions and counter-injunctions, appointing receivers, etc. By September, 1869, there were seven injunction suits pending, before almost as many different judges, Judge Joseph G. Barnard being always at the beck of Gould and Fisk; and the interests of Ramsey, or what was known as the "Albany interests," seeming to be well taken care of by Judge Rufus H. Peckham, Judge Clute, and Judge Murray. August 6th, Judge Barnard appointed James Fisk, Jr., and Charles Coulter receivers of the Albany and Susquehanna Railroad. When they went to Albany to take charge of the property, they found that on the evening of August 6th Judge Peckham had appointed Robert H. Pruyn receiver. This led to further complicated litigation, in which both sides were enjoined from doing anything. Fisk and Coulter took possession of the railroad at Binghamton, however, and Receiver Pruyn enforced his authority at the Albany end. Both sides essayed to run the railroad, which resulted in a clash at arms, during which rails were torn up and bridges destroyed. On August 11th, the Barnard receiver appealed to Governor Hoffman to take charge of the property in the name of the State, as it was being ruined. The Governor did so, placing it in control of Colonel Banks and a force of military. This was the situation when the election came on at Albany on September 7th. Scenes of violence ensued at the election, and two sets of directors were elected, one in favor of the Erie interests and the other in the interest of the Ramsey, or Albany, contingent. Neither board could act, and the Attorney-General brought suit against all the parties at interest to have it decided which was the regular board. The case was fixed for argument before Judge E. Darwin Smith at Rochester, November 29, 1869. November 23d, Judge Murray, at Delhi, Delaware County, granted an order in a suit brought by Ramsey against Gould, Fisk, and other Erie Directors, suspending them as Directors and officers, and appointing David Groesbeck general receiver of the Company. These proceedings were subsequently set aside, and in December Judge E. Darwin Smith decided against the legality of the directors elected in the Erie interest. The situation now was such as to bring about a fierce renewal of the contest for ultimate possession of the railroad, but before either side had gained any victory, the Delaware and Hudson Canal Company, which previously had a hand in the fight only by implication as a supporter of Erie, leased the Albany and Susquehanna Railroad, February 24, 1870. The lawsuits between Ramsey and the Erie managers were in the courts, however, nearly two years longer before this long and bitter battle of the Gould *régime* came to an end.

## THE "NEWBURGH SHORT CUT."

The Newburgh and New York Railroad was projected in 1861, and surveys were made by William Sneed, at that time superintendent of the Northern Railroad of New Jersey. The expense of the survey was paid by Newburghers and the Erie. Nothing was done until 1864, when Robert H. Berdell came in as President of the Erie. John Houston, an Erie civil engineer, was directed to make a permanent location of the route. Nothing further was done until 1866, when the project was revived. An attempt was made to bond Newburgh and other places in aid of the road, but failed. Then Homer Ramsdell took the matter up. He was a Director in the Erie, and through his influence that Company took hold of the New York and Newburgh road. In 1868 it was put under contract by the Erie to Peter Ward of Newburgh and Valentine Levy of Hudson City, N. J. Ground was broken, April 10, 1868. The road was completed, and turned over to the Erie, August 23, 1869. It cost \$550,000, and brought Newburgh within sixty-two miles of New York.

The opening of this Newburgh Short Cut was made the occasion of a celebration the like of which had not been seen since the opening of the railroad to Dunkirk. Saturday, August 14, 1869, the citizens of Newburgh extended invitations to the officers and Directors of Erie to be their guests on the opening of the railroad.

An excursion train left Newburgh at 9.45, in charge of Conductor Thomas Wright and Engineer Henry Gaylord. There was firing of cannon at every station. The excursion train from New York was met at the junction. On this train were James Fisk, Jr., Comptroller of Erie; the Directors, the Secretary and Treasurer; Hugh Riddle, General Superintendent; A. P. Berthoud, Superintendent of the Eastern Division; James H. Rutter, General Freight Agent; Gov. John T. Hoffman, A. Oakey Hall, Mayor of New York, Mayor Peddie of Newark, Hon. Charles H. Winfield of Jersey City, and many other distinguished guests.

The train was gaily decorated. Edward Kent was the engineer, and Chauncey Hale the conductor. A procession nearly a mile long paraded the streets of Newburgh, where there were hours of speech-making. Fisk made a famous speech in response to the address of welcome. Three hearty cheers and a "tiger" were given for him and Jay Gould, and the band played "Hail to the Chief," at the conclusion of the speech. A great banquet was given at Moore's Opera House, for which the citizens of Newburgh had subscribed \$10 a plate. The railroad was but sixteen miles long, but it was an event, and those were the times of Gould and Fisk.

## THE WAR OF THE GAUGES.

When the Erie was completed to Dunkirk in 1851 there was no railroad connection farther west. The Cleveland, Ashtabula, and Painesville Railroad was being extended eastward, with the intention of connecting with the Erie or the

New York Central Railroad by means of local roads across the northeast corner of Pennsylvania, known as the Triangle, and bordering on Lake Erie, the distance across that portion of Pennsylvania, between the New York and the Ohio lines, being fifty miles. The borough of Erie (now city) occupied the vantage point in that corner of the State on Lake Erie. A railroad known as the Erie and Northeast Railroad had been chartered, April 22, 1842, to be built from Northeast, a Pennsylvania village near the New York line, to Erie, about twenty miles. Nothing was done toward building the railroad until 1849, when, events seeming to indicate that the New York and Erie Railroad was certain to reach Lake Erie, the Erie and Northeast Company saw the importance of its railroad as a link in a chain of rail communication between the East and West and began work upon it. The railroad was completed January 19, 1852, the New York and Erie Railroad having then been open between New York and Dunkirk the better part of a year. In 1848 Pennsylvania capitalists obtained a charter from their State Legislature for the Erie and Ohio Railroad Company, to build a railroad from Erie to the Ohio line. This would have assured the completion of a line across the Triangle, but, unfortunately, the individuals interested in the project were dilatory in taking advantage of their charter, and in 1849 it was repealed in the interest of the Pennsylvania Central Railroad, which was then building to connect Philadelphia and Pittsburg, and which was determined to harass the New York trunk lines in obtaining thoroughfare through Pennsylvania.

In 1844 the Pennsylvania Legislature had chartered the Franklin Canal Company, with authority to repair the Franklin Division of the Pennsylvania Canal, and the privilege of constructing a railroad on the towpath north to Erie and south to Pittsburg, or on a route the company deemed most advantageous. Construing this concession somewhat liberally, the Canal Company located a railroad between Erie and the Ohio State line, which would complete a connection by rail with the Erie and Northeast Railroad, and give a direct line to the New York lines to Cleveland.

Under the New York railroad law of 1849, a company entitled the Buffalo and State Line Railroad Company was organized to build a railroad from Buffalo westward along Lake Erie to the State line, the purpose being to make a connection with the Erie and Northeast Railroad, and thus control, with that railroad and the proposed Ohio connection, the traffic to and fro between the East and West and the railroad then terminating at Buffalo, which was destined soon to become part of the present New York Central system. The original intent of the Erie and Northeast Railroad Company was to make the gauge of its railroad six feet, and, in fact, it had an understanding with the New York and Erie Railroad Company to that effect, being also under the impression that the Buffalo and State Line Railroad was to be of that gauge. The influences that subsequently combined the five local New York railroads between Albany and Buffalo into the one New York Central were then at work, and it was evident the Central was to be of the four-foot-eight-and-

a-half-gauge, and also that the Buffalo and State Line Railroad was in existence in the interests of the Central, for the same gauge was adopted by the State Line Company.

The New York and Erie, as well as the Central, knew the importance of a connection that would give it thoroughfare across that corner of Pennsylvania, and under the New York General Railroad Law of 1850 the Dunkirk and State Line Railroad was organized to build a railroad from the Dunkirk terminus of the Erie to the Pennsylvania line, with a gauge of six feet, to meet the Erie and Northeast connection there with the same gauge. This, of course, was in the interest of the Erie, and would give it a line toward the West without breaking bulk. This aroused the Buffalo and State Line Railroad Company, or, rather, the interests in the Central that controlled it, and they so harassed the Erie in its Dunkirk and State Line project that the Erie was weak enough, early in 1851, to consent to a compromise with the Central, instead of insisting on having its independent connecting line, the building of which it abandoned. The Buffalo and State Line Railroad was originally laid out to go via Fredonia, three miles from Dunkirk. By the compromise with the Erie the route was changed, and the railroad was built via Dunkirk, to give the Erie connection with it, and a neutral gauge, known as the Ohio gauge, was adopted by the local railroad, the Erie and Northeast Railroad agreeing to lay the same gauge, the width of which was four feet ten inches. Then the Erie subscribed \$250,000 to the stock of the Buffalo and State Line Railroad, to aid in its construction, and placed itself ever after at the mercy of its great rival, which never hesitated to assert its supremacy in that connecting line whenever Erie interests might be damaged by so doing. The Buffalo and State Line is now part of the Central's Lake Shore and Michigan Southern system. The four-foot-ten gauge necessitated a breaking of freight bulk and changing of cars by passengers by the Central at Buffalo, and by way of the Erie at Dunkirk.

But the Pennsylvania Central Railroad's influence and the influence of the borough of Erie now appeared again. By the arrangement between the Buffalo and State Line and the Erie and Northeast railroads, the two New York trunk lines were to obtain a highway across Pennsylvania, which the Pennsylvania Central Railroad determined to prevent; and the borough of Erie discovered that passengers and freight, east and west bound, would pass through that place without changing cars or breaking bulk there, and thus disappointing citizens of Erie who had calculated on making money by such a break in the gauge. Responsive to the demands of those influences, the Pennsylvania Legislature, March 11, 1851, passed a law establishing the legal gauge for all railroads west of Erie to the Ohio line at four feet ten inches, and prohibiting all railroads east from that borough from laying track except of a four-foot-eight-and-a-half or a six-foot gauge.

The Erie and Northeast Company, standing on what it claimed was its charter rights, refused to comply with the law, and laid its tracks at the neutral or Ohio gauge, but when the work of laying the track through Erie borough was

attempted, the rails were torn up and the workmen dispersed by infuriated Erie people. The cry was, "Break gauge at Erie, or no railroad!" The riots were fierce and bloody, and guns and pistols were the order of the day; and orders of the Pennsylvania courts, and even the authority of the United States court, were defied. During this lawless outbreak many lives were lost. The Governor of the State refused to use his authority to restore order. The Erie and Northeast Company was determined. It abandoned the route through Erie, and attempted to build its railroad around the place, but the tracks were torn up and bridges destroyed by the Erie rioters.

From 1853 until 1855 the War of the Gauges was waged by the people of Erie, supported by the State government and politicians, and in defiance of the courts. Passengers and freight, during the winter, when the lake was closed, had to be transferred by wagon from a point east of Erie as near as the people of that place would permit the cars to come on that side, to a point west of the borough, where the cars from that direction were stopped, and vice versa. The hardships of this were great, especially to emigrants, who were travelling westward in great numbers. This was called "Crossing the Isthmus." The War of the Gauges forced the Erie to abandon one of its through passenger trains, and a freight and a stock train, for many months, resulting in heavy loss.

In 1855 the State of Pennsylvania, to punish the Erie and Northeast Railroad Company for its determination to aid in advancing the general transportation interests of the country in face of the opposition of the Pennsylvania Central Railroad and of the selfish lawlessness of the people of Erie, repealed its charter, confiscated its railroad, and placed it in charge of State agents. This resulted in a compromise. The Erie and Northeast agreed to build its railroad into Erie and to the harbor, and to subscribe \$400,000 to the stock of the Pittsburg and Erie Railroad, the Buffalo and State Line Company subscribing a like amount—a condition of the blackmailing settlement being also that the Cleveland and Erie Railroad should subscribe \$500,000 to the stock of the Sunbury and Erie Railroad, another projected Pennsylvania line—and the gauge law was repealed. The charter rights of the Erie and Northeast Railroad and its property were restored to the Company, and the disgraceful, high-handed, and lawless War of the Gauges was over. In 1857 the Erie and Northeast Railroad passed into the possession of the New York Central, and the Erie management soon discovered how foolish it had been in succumbing to the Central interests in the matter of the Buffalo and State Line Railroad ("Administration of Homer Ramsdell," page 121).

The Bergen County Railroad was incorporated in 1875. It is known as the "Short Cut" from Rutherford to Ridgwood Junction, and was virtually built by the Erie. It was added to the system in 1880. It is about ten miles long. The Chicago and Atlantic Railroad became the property of the Erie August 31, 1887 ("Administration of John King," pages 270 to 272). Other connections of the Erie system, owned, leased, and operated, are listed on pages 286 and 287.

## THE TURNING OF ITS WHEELS.

1841-1898.

The Story of the Time-tables—Erie's First Official Time-tables not Printed, but Made with Pen and Ink on Note Paper—Later, Printed in a Country Printing Office—Some Rare Old Time-tables in Facsimile—Development of Traffic—Henry Fitch, First General Passenger Agent—Beginning of Milk Transportation—Original Locomotives—The Strange Career of "The Orange"—Joe Meginnis and Other First Erie Engineers—Queer Engines—Story of the "Diamond Cars," Sleeping Cars Built for the Erie Nearly Sixty Years Ago—Worden, the First Conductor—"Poppy" Ayres and "Hank" Stewart—First Superintendents—Erie's First Tragedy of the Rail and Its Sequences—Amusing Incidents, Strange Accidents—Story of How the Erie Brought the Telegraph into Service for the Running of Trains—Original Railroad Telegraph Operators—Notable Strikes on the Erie, and Historic Accidents—The Side-tracking of Piermont and Dunkirk—Erie Operative System and Equipment of To-day.

### STORY OF THE TIME-TABLES.

THE first official time-tables (1841) for the information and regulation of employees on the Erie were not printed. They were arranged by S. S. Post, who enjoyed the distinction of being the Company's original "Superintendent of Transportation." After he had drafted them they were copied on half-sheets of note paper by his clerk. As it was necessary to provide each engineer and conductor, each station agent, and the heads of operating departments with a copy, the clerk was obliged to make as many as nine copies of the first official time-table. There were a superintendent, a superintendent of transportation, a master mechanic, two conductors, two engineers, and two station agents, one at Chester and one at Goshen, each to be supplied with a time-table. The body of it was written with black ink. The names of "turn-out" stations or points were indicated by being written with red ink. These were places where a train going in one direction was to turn out, or lie on a siding, until an expected train, going in the opposite direction, should pass. The original turn-outs were at Monsey, the Y at Ramapo, and at Turners and at Chester. Written time-tables were in use until too many copies were required to stock the employees, and then printed ones came in. The public was kept informed of the movements of trains and the changes in time by handbills and announcements in New York newspapers and the two Goshen newspapers—the *Independent Republican* and the *Democrat*. At the time the railroad was opened in 1841, and for years afterward, there was not a newspaper on the line between New York and Goshen, and none between Goshen and Binghamton, on the route over which the railroad was later to proceed west from Goshen. One of the original official time-tables, made with a pen, would to-day be of priceless value as a relic of pioneer railroading, and a printed copy of one would be of scarcely less intrinsic worth as a curiosity in the history of railroad operating, but not one

of either is in existence. The oldest handbills announcing changes in the running of trains on the Erie and giving information as to passenger rates and regulations, that the author has been able to find, were issued in the spring of 1847. Older than that by two years is the freight schedule he unearthed, which was issued in June, 1845. They are both reproduced in facsimile on pages 375 and 381. Anything rarer than these, in this day of relics of pioneer railroading on the Erie, it would be impossible to obtain. They will appeal with peculiar interest to traffic managers in this advanced age of transportation science, fixing indisputably on the records, as they do, the ideas of those early directors of Erie's operating departments as to the best methods and plans for conducting railroad traffic according to the lights they had, and to popularize the railroad and make business for it. The schedule of freight rates for 1845 is peculiarly valuable, as showing the commodities of traffic that yielded the early freight earnings of the railroad. The Erie has 2,271 miles of railroad now. It had fifty-four miles when those schedules were promulgated. Every shipper, and, it may almost be said, every passenger, was personally known to the management then—a situation now hardly possible of belief.

The first official Erie printing office, after the railroad was opened to Goshen, was the *Goshen Democrat* office, and there the original time-tables and announcements of the Company were printed. The work was done on a hand-press, and the printer was Charles Meade, the *Democrat* being published by Meade & Webb. In 1850 the Company established its own printing office in the Erie Building, foot of Duane Street, New York, and Charles Meade was called there to take charge of it. R. C. S. Hendrie, foreman of his Goshen office, went with him. Meade remained at the head of the printing department of the Company until the death of his brother-in-law and partner, Webb, when he returned to Goshen to take the affairs of the *Democrat* concern in

hand. He was succeeded in the management of the Erie printing office by his old foreman, Hendrie, who conducted the establishment until it was sold, in December, 1874, to Lange, Little & Co. of New York. No better work of the kind is done to-day in any modern printing office than these early Erie printers executed. The report to the stockholders for 1855, a pamphlet of 180 pages, issued from the Erie printing office, is a particularly fine specimen of press-work and superior skill in difficult typographical execution. It bears the imprint, "Press of the New York and Erie Railroad Company, R. C. S. Hendrie, Printers." David D. Osmun was an employee of the original Erie printing office at Goshen, and put in type some of the very first Erie time-tables. He is still living at Chester, N. Y.

January 1, 1841, in anticipation of a much earlier opening of the railroad than actually occurred, the Company began running a steamboat from the foot of Cortlandt street to the depot at Piermont. "The new enterprise," said the newspaper announcement, "commences with the steamer 'Utica,' under the command of Capt. Alexander H. Shultz, late of the steamer 'Independence,' on the Philadelphia line, than whom there is not a more capable or gentlemanly commander on our waters. It is intended, in connection with this company, to open a line of travel to Albany this winter. When the arrangements are all completed, passengers will leave New York in steamboats and take the railroad at Piermont to Goshen, and thence to Albany by stages, by which route the difficult and dangerous travel through the Highlands may be avoided."

The first official Erie time-table ever published was incorporated with the announcement of the opening of the railroad to Goshen. The late A. S. Whiton, then a clerk in the office of the superintendent of transportation, made the copies of it that were sent to the newspapers, from the original schedule as decided upon, after long consultation at the Piermont offices by Superintendent H. C. Seymour, Superintendent of Transportation S. S. Post, and Alexander Main, who was cashier, paymaster, and auditor of the Company. The schedule was approved by the President and Directors, and was as follows :

#### THE EASTERN DIVISION OF THE NEW YORK AND ERIE RAIL ROAD,

Will be opened for freight and passengers on Thursday, the 23d of September, and until further notice the trains will run as follows :

##### FROM GOSHEN

###### A PASSENGER TRAIN DAILY,

except Sundays, leaving the Depot at 7 A.M., and stopping at any of the following places where passengers may desire to be left or taken up, viz. : Chester, Monroe Village, Turners, Monroe Works, Ramapo station, Sufferns, Pascac, Blaueveltville, and Piermont, arriving in the Steamboat Utica, at New York, at 12, M.

###### A FREIGHT TRAIN TRI-WEEKLY,

leaving the depot at 3 P.M., on Mondays, Thursdays, and Saturdays, stopping, if required, at Chester, Monroe Village, Seaman-ville, Turners, Monroe Works, Ramapo station, Sufferns, Pascac, Greenbush, Blaueveltville, and Piermont, arriving at New York, by the Company's steamboat and freight barges, at 10 P.M.

##### FROM NEW YORK.

###### A PASSENGER TRAIN DAILY,

excepting Sundays, leaving the foot of Albany st., in the steamboat Utica, Captain A. H. Shultz, at 8 A.M., and arriving in Goshen at 1 P.M.

###### A FREIGHT TRAIN TRI-WEEKLY,

leaving the foot of Cedar street, at 4 P.M., on Mondays, Thursdays and Saturdays, and arriving at Goshen at 10 P.M. Stopping places the same as in the trains from Goshen.

Passengers by the morning trains are informed that no breakfast will be furnished on the boat or on the road. They are requested to purchase tickets before taking seats in the cars, as all persons from New-York, or from any depot where tickets are sold, will be charged as way passengers, if they neglect to purchase tickets before taking their seats.

For freight or passage, inquire at the Company's dock in New York, at the foot of Albany street, or at the various depots along the route.

H. C. SEYMOUR,

*Superintendent and Engineer East. Division,  
New York & Erie Railroad.*

This was a modest announcement, and it was not entirely satisfactory to Seymour and Post. It did not seem to be comprehensive enough, so they went into earnest consultation again, and produced the schedule and accompanying paragraphs of instruction to the public as shown below. It appeared one week after the opening of the railroad to Goshen :

#### THE EASTERN DIVISION OF THE NEW YORK & ERIE RAIL-ROAD

Is now open for freight and passengers and until further notice the trains will run according to the following

##### NEW ARRANGEMENT :

###### FROM GOSHEN.

###### A PASSENGER TRAIN DAILY,

except Sundays, leaving the depot at 7 A.M., and stopping at any of the following places where passengers may desire to be left or taken up, viz. : Chester, Monroe Village, Turners, Monroe Works, Ramapo station, Sufferns, Pascac, Blaueveltville, and Piermont, thence by the Steamboat Utica, Capt. A. H. Shultz, to New York, landing at the foot of Albany street.

##### FROM NEW YORK.

###### A PASSENGER TRAIN DAILY,

excepting Sundays, leaving the foot of Albany st., in the steamboat Utica, Captain A. H. Shultz, at 8 A.M., and proceeding immediately on the arrival of the boat at Piermont, to Goshen, stopping at the above-named places.

###### A FREIGHT & PASSENGER TRAIN,

daily (Sundays excepted,) will leave

##### GOSHEN

at 3 o'clock P.M., stopping at Chester, Monroe Village, Seaman-ville, Turners, Monroe Works, Ramapo station, Sufferns, Pascac, Greenbush, Blaueveltville and Piermont. Thence, (on Mondays, Tuesdays, Thursdays, and Fridays,) by steamboat Union and barges to New York, landing at the foot of Chambers st., and on Wednesdays and Saturdays by the steamboat Utica, touching at the foot of Chambers street, where all market freight will be delivered on board the barges.

##### FROM NEW YORK.

Leaving the foot of Chambers street, on Mondays, Tuesdays, Thursdays and Fridays in the steamboat Union, and the foot of

# New York & Erie Rail Road

## RATES OF CHARGES,

For FREIGHT, between the City of New York and the Depots in  
MIDDLETOWN, NEW HAMPTON, GOSHEN & CHESTER.



1845.

1845.

New York to or from		New York to or from	
CHESTER	CHESTER	CHESTER	CHESTER
CONY.	CONY.	CONY.	CONY.
\$	\$	\$	\$
104	18	104	18
15	16	15	16
17	17	17	17
18	18	18	18
19	19	19	19
20	20	20	20
21	21	21	21
22	22	22	22
23	23	23	23
24	24	24	24
25	25	25	25
26	26	26	26
27	27	27	27
28	28	28	28
29	29	29	29
30	30	30	30
31	31	31	31
32	32	32	32
33	33	33	33
34	34	34	34
35	35	35	35
36	36	36	36
37	37	37	37
38	38	38	38
39	39	39	39
40	40	40	40
41	41	41	41
42	42	42	42
43	43	43	43
44	44	44	44
45	45	45	45
46	46	46	46
47	47	47	47
48	48	48	48
49	49	49	49
50	50	50	50

For rates of charges on articles not specified, and for other particulars, see table of rates published July 1st, 1843.

**Passengers** to New York can procure Tickets at the following rates: From MIDDLETOWN \$1.75; NEW HAMPTON \$1.62 1-2; GOSHEN \$1.50; CHESTER \$1.40. **Merchants, Grocers** and others receiving Freight regularly by the Rail Road, the charges on which amount to **One Hundred Dollars** or more per annum, can procure a commutation Ticket for \$10 per quarter, and the person named thereon, the charges on which amount to **One Hundred Dollars** or more per annum, can procure a commutation Ticket for \$10 per quarter.

**Farmers** sending twenty Gallons of Milk per day, may remount.

**Farmers** or others going to market with their own produce, the charges on which amount to **five dollars** or more, can procure a **free Ticket** to return, and if the charges amount to **ten dollars**, free tickets both ways will be given.

**Families** and **Parties** can procure tickets to New York and return the same day, as follows: for both ways, from Middletown \$2.50; New Hampton \$2.37 1-2; Goshen \$2.25; Chester \$2.00, but the tickets cannot be used returning on any other day, without the payment of the difference between the regular rates for single tickets.

**Families** or **Parties** paying for five or more tickets to any Depot or Station upon the *Line of the Road*, may return the same day **free**, or if the tickets are for the Evening Train they may return by the next morning train on the same conditions.

The above provisions in relation to passages free or by commutation, have been made with a desire to meet the business wants of the citizens of Orange County, and it is hoped that the usefulness of the road will be promoted thereby. A general reduction of the present low rates charged upon the road, it is feared, would prove injurious to both stockholders and the public. During the close of navigation below the Highlands, the full rates will be charged. No departure from the above terms.

June 1843.

Albany street on Wednesdays and Saturdays, in the steamboat Utica. Stopping places the same as in the trains from Goshen.

Passengers by the morning trains are informed that no Breakfast will be furnished in the boat or on the road. They are requested to purchase Tickets before taking seats in the cars, as all persons from New York, or from any Depot where Tickets are sold, will be charged as Way Passengers if they neglect to do so.

For Freight or Passage, apply at the Company's Transportation office, at the corner of Liberty and West streets, near the Albany Basin, or at any of the Depots along the route.

It is indispensably requisite that all freight intended to be forwarded the same day, should be at the Depot at least one hour previous to the starting of the trains.

Returning, leave New York—

First train at 7 o'clock, P. M.

Second do. 5½ " A. M.

Fare through (for this day only), \$1.00.

Passengers by the morning train from Goshen, will have an opportunity of witnessing the opening of the Croton Aqueduct and other civic festivities.

The Goshen and Mount Hope Bands will accompany the morning train from Goshen, and return in the evening train from New York.  
H. C. SEYMOUR, *Sup't.*

#### PASSENGER CHARGES.

##### FIRST CLASS CARS.

From Goshen to Chester, & vice versa	\$0.12½
" " Monroe, " "	0.25
" " Turners, " "	0.37½
" " Monroe Works, " "	0.62½
" " Ramapoo, " "	1.00
" " Sufferns, " "	1.00
" " Pascac, " "	1.12½
" " Blauveltville, " "	1.25
" " Piermont, " "	1.25
" " New-York, " "	1.50

##### SECOND CLASS CARS.

From Goshen to Chester, & vice versa	\$0.10
" " Monroe, " "	0.20
" " Turners, " "	0.25
" " Monroe Works, " "	0.50
" " Ramapo & vicinity, " "	0.62½
" " Sufferns, " "	0.75
" " Pascac, " "	0.80
" " Blauveltville, " "	0.87½
" " Piermont, " "	0.87½
" " New-York, " "	1.00

H. C. SEYMOUR,

*Superintendent and Engineer East. Division,  
New York & Erie Railroad.*

Albany Street, New York, extended from Greenwich Street to the North River, between Thames and Carlisle (now Rector) streets. Albany Basin was the river between Albany Street and Cedar Street.

Trains were run by this schedule until December 30, 1841, when the "Winter Arrangement" was made. It had been discovered that there was not business enough for a daily freight train, and it was reduced to tri-weekly trips, leaving "each termination on Tuesdays, Thursdays, and Saturdays, at about the same time as the passenger trains." The rates of fare remained the same.

The running of cheap pleasure excursions over the Erie is to-day a feature of its passenger traffic, and a profitable one. Nearly sixty years ago (1842), the first experiment in this class of special passenger business was tried on the Erie, perhaps the first experiment of the kind on any railroad. The announcement for this initial pleasure excursion was as follows:

#### FOURTH OF JULY!

#### NEW YORK & ERIE RAILROAD.

Two trains of Passenger Cars will leave Goshen for New York, July 4th, starting as follows:

First train, at 6 o'clock, A. M.

Second do. 4½ o'clock, P. M.

This first opportunity for the people along the line to have a cheap trip to and from the metropolis on a particularly interesting and memorable occasion was not taken advantage of with an enthusiasm that warranted the Company in trying any further experiments in special pleasure excursions at that period of its existence, for two cars were all that were necessary to carry the excursionists, including the bands. There were not more than 100 persons aboard. This pioneer Erie pleasure excursion train was in charge of Eben E. Worden, conductor. The engineer was James Newell. The locomotive was the "Ramapo" (No. 3).

During 1842 but little change was made in the running of trains, except that the New York terminus was removed from Albany Street to the foot of Duane Street, and daily trips of the freight trains were resumed. The "Winter Arrangement," made December 12, 1842, announced that the cars, on and after that date, would "run in connection with the steamboat 'Arrow' (Capt. A. H. Shultz), daily except Sunday." The freight train was again made tri-weekly, leaving "the foot of Duane street Tuesday, Thursday, and Saturday of each week at 3 o'clock P.M.," and departing from Goshen "on the same days, at 8½ A.M." From the time-table: "N. B.—A substantial Ice Boat will be in readiness for use whenever the state of the river shall require it. The Western Stages connect with the Cars at Goshen."

Before the Erie was opened to Goshen, travel between New York City and the West, particularly for that then almost unknown land of attractive nomenclature, "the Lake Country," was by stage coaches from New York, via Hoboken, thence across the State of New Jersey to the Delaware River, a mile below Milford, Pa. The river was crossed by ferry, and at Milford the route was over the Milford and Owego Turnpike, across the northeastern corner of Pennsylvania, much of the way through the wilderness, to the State of New York again, and Owego, whence other coach connections carried the traveller on toward his destination. Passengers for this line were booked at the Commercial Hotel, kept by John Patton, at the foot of Cortlandt Street, or at John Ball's, foot of Barclay Street, New York. They took the ferry to Hoboken, whence stages departed from Van Buskirk's Hotel every Tuesday, Thursday, and Saturday at 4 A.M.

The opening of the railroad to Goshen made that place for the time the eastern terminus of the through coach lines, and also brought into existence a project for improving travel between New York and Albany, as indicated by the following announcement:

## NEW YORK AND ALBANY STAGE LINE.

ON BOTH SIDES NORTH RIVER.

*Office at the Old Stand, Western Hotel, 9 Courtlandt Street.  
Fare \$6.*

The line on the west side of the river is from New York to Piermont on Steamboat "Utica," from Piermont to Goshen by the railroad, and thence to Albany by stage.

Passengers by this line may leave New York any morning (Sundays excepted) at 8 o'clock, and arrive in Albany next morning by 9.

This is the shortest, quickest, and cheapest route to Albany. The railroad cars are large, commodious, and warmed by stoves.

The line on the East side will be by steamboat daily as far as the ice will permit. E. BEACH.

Passengers for Newburgh and Paltz may secure passage at this office by steamboat and railroad to Turner's, 16 miles this side of Newburgh, where stages will be in readiness to convey them to the above named places.

NEW YORK, Dec. 25, 1841.

This project, however, did not prove to be a success.

As the railroad slowly advanced westward, the stage-coach terminals at the eastern end moved with it, until the line was at last opened to Binghamton in 1849, when stage-coach travel from the east to the "Lake Country" became a thing of the past, and the romantic days of travel—romantic despite its delays, discomforts, and hardships—are now but a memory, and a living memory to but few, for the ante-railroad days were a long, long time ago. The genius of that long-forgotten time is pathetically expressed in the following poem, written more than a generation ago by the late Peter Wells, of Port Jervis, N. Y., and inspired by the passing away of the stages that was made necessary by the coming of the Erie cars :

## THE OLD STAGE COACH.

The good times when our fathers rode

In safety by the stage,

Have passed before the onward march

Of this progressive age ;

And now no goodly coach-and-four

Draws up beside the stage-house door.

How rang the laugh, the jest, and joke,

As all together rode,

Coached up in friendly jollity

Like boys of one abode ;

The weary miles seemed shorter, then,

As thus we rode o'er hill and glen.

Full half the pleasure of the way

Was appetite and fare—

*This* gathered from "mine host's" full board,

*That* from the mountain air.

O ! then we went life's flowery ways !

They ended with our staging days.

O, that was music ! when at morn,

As, winding round by yon old mill,

The driver blew his sounding horn,

And echo answered from the hill.

Now, echoing horn nor prancing team

Is heard amid this age of steam.

But drawn beneath some sheltering shed

The old stage-coach neglected stands ;

Its curtains flapping in the wind—

The ghost of ruin's waving hands ;

While on the wheels the gathering rust

Proclaims the mortal, "dust to dust."

While in the fields their scattered bones,

Or on the common turned to die ;

Their "trips" all o'er—their "routes" all run—

The wheelers and the leaders lie ;

The driver's pride and labor gone,

And he "like one who stands alone."

In the time-table adopted April 3, 1843, the milk traffic was first mentioned, that item of traffic having within a few months become so important—an entirely new commodity for transportation, as it was—that it had commanded distinct attention. "An accommodation line," the new schedule announced, "for Passengers, Milk, &c., will also be run daily, leaving Goshen at 6 P.M., and the foot of Duane street at 7 A.M." One regular passenger train still served to transact the business of the railroad.

An important event in the history of the railroad occurred the last week in May, 1843. This was the making public of the fact that the line would be opened to Middletown, eight miles beyond Goshen, the following week. This was the first official time-table between New York and Middletown :

## NEW YORK AND ERIE RAILROAD

## EXTENDED TO MIDDLETOWN.

On and after June 1st, the regular trains will run between New York, Goshen and Middletown daily (Sundays excepted) as follows:

FOR PASSENGERS—Leave New York (from the foot of Duane street) at 3½ P. M., by steamboat Arrow, Capt. A. H. Schultze, taking the cars at Piermont, and arrive at Goshen at 8½ and at Middletown at 9 o'clock P. M.

Returning—Leave Middletown at 6 A. M., and arrive at New York at 11 A. M.

An accommodation line for Freight and Passengers, leaves New York as above at 6 A. M., and arrives at Goshen at 12 o'clock, noon, and at Middletown at 1 o'clock, P. M. Returning, leave Middletown at 5½ P. M., and arrive in the city at 12.

FOR FREIGHT—Leave New York at 6 A. M., and arrive at Middletown same day. Returning, leave Middletown at 1 P. M. and arrive in New York same night.

H. C. SEYMOUR, *Sup't.*

May 25th, 1843.

The railroad was not opened to Middletown, however, until June 7, 1843.

In the time-table that went into effect August 1, 1843, it was announced that "the fare upon the passenger lines will be reduced

Between New York and Middletown to	\$1.25
" " Goshen	" 1.12
" " Chester	" 1.00
" " Monroe	" .95
" " Turners	" .85
" " Monroe Wk's	" .75
" " Ramapo	" .60
" " Monsey	" .40
" " Clarkstown	" .30
" " Blauveltville	" .25
" " Piermont	" .20 "

The business warranted the continuance of the two passenger trains. Thus the time-table :

Passenger Trains will leave Middletown daily (Sundays excepted) at 6 o'clock a. m., and at 5½ o'clock p. m., and arrive in New York at 11 a. m. and about 12 at night.

The steamboat Arrow will leave New York daily (except Sundays) at 6 a. m., and 3½ p. m.—Taking the cars at Piermont, passengers will arrive at Middletown at 1 o'clock p. m., and 9 p. m.

Freight Trains will, as heretofore, be run daily (except Sundays) leaving Middletown at 1 o'clock, p. m., and no freight except Milk will be taken by the Passenger trains. Barges will be taken in tow by the steamboat leaving N. York at 6 o'clock a. m., and from Piermont to N. Y. by the Evening Passenger boat.

Stages for Milford, Honesdale, Carbondale, Binghamton and Owego, will run from the Cars on their arrival at Middletown.

This schedule was changed December 18, 1843, for the "Winter Arrangement, 1843-4." One passenger train was taken off and the freight line made tri-weekly. The "freight cars" were advertised to leave Middletown at 10 A.M. Tuesdays and Thursdays, and at 2 P.M. on Saturdays. The passenger train carried the milk as theretofore, "leaving both Middletown and foot of Duane street at 8 o'clock A.M."

During the winter of 1844 the Company made great preparations for increased patronage against the opening of spring. The first time-table for that season was issued April 1st, for the "Summer Arrangement." An additional passenger train each way, daily except Sunday, was put on the road. This was the first time-table published by the Erie on which the hours of arrival of passengers at the terminals of the railroad were announced, passengers from New York being scheduled to arrive at Middletown at 12.30 and 9.30 P.M., and those from Middletown to arrive at New York at noon and 9 P.M.

*(From the Time-table.)*

The Company have placed on the route a new and splendid Steamboat of the larger class, which will run without a Barge, and exclusively in connection with the Passenger trains, enabling residents of the country to remain in the city four hours, and return the same day.

Hours of receiving Freight in New York, from 9 o'clock a. m., to 5 p. m. only.

#### LINES OF STAGES

*connecting with the Railroad at Middletown.*

The People's Line for Owego, via, Port Jervis, Milford, Cherry Ridge, Honesdale, Carbondale, Dundaff, Lenox, Brooklyn, Montrose and Friendsville; leaves Middletown immediately upon the arrival of the evening train from New York. Returning, arrives in Middletown in time for the evening train for New York at 4 p. m.

Middletown and Owego Line, via, Bloomingburgh, Wurtsboro, Monticello, White Lake, Bethel, Fosters, Cochection, Rileyville, Mount Pleasant, Gibson, New Milford, Great Bend, Binghamton and Union; leaves Middletown at 5 a. m. Returning, arrives at Middletown in time for the evening train for New York.

Eagle Line for Carbondale, via, Mount Hope, Otisville, Cuddebackville, Forestburgh, Narrowsburgh, and Honesdale; leaves Middletown on Tuesdays, Thursdays and Saturdays, at 4 a. m. Returning on Mondays, Wednesdays and Fridays, arrives in Middletown at 8 p. m.

Middletown and Milford line, via, Mt. Hope, Port Jervis and Finchville, leaves Middletown on Mondays, Wednesdays and Fridays, upon the arrival of the morning train from New York. Returning on Tuesdays, Thursdays and Saturdays, arrives in Middletown in time for the evening train for New York at 4 o'clock, p. m.

The above, except the last mentioned, are regular mail lines.

The business of the railroad was governed by the seasons in those pioneer days, and November 18, 1844, the Company decided that one regular passenger train each way and an accommodation train would be sufficient to do the passenger business of the road until further notice. The leaving time from New York was fixed at 8 A.M., and from Middletown at 6.30 A.M.—this until the close of navigation in the Hudson River, when the leaving time would be 8 o'clock A.M. at both terminals. The accommodation train was run in connection with the freight boats, leaving New York at 3 and Middletown at 3.30 P.M., "until further notice, or the close of navigation."

*(From the Time-table.)*

FOR FREIGHT—Leave New York at 3 o'clock p. m., and arrive in Middletown the next afternoon. Leave Middletown at 10 o'clock a. m., and arrive in New York the same night, except during the close of the River, when it will arrive in New York about noon or a little after, the next day.

Live stock will be taken only on Tuesdays, Thursdays and Saturdays. The special rates of charges advertised April 1, 1844, will cease on the close of the River, when the full rates of toll, as published July 1, 1843, will be charged.

Freighters will take the same days as heretofore, and have their loading ready at least half an hour before starting time.

H. C. SEYMOUR, *Superintendent.*

It would seem that competition had all to do with the regulation of the cost of railroad transportation, even in the beginning, for the Erie had two schedules of rates—one marked low, so that the Hudson River navigation (from which business was largely drawn when the railroad was opened between Goshen and the Hudson) would have no advantage over it, and the other based on the principle of "what the traffic will bear," after river navigation was suspended by the close of the river by ice.

"Freighting" was a business peculiar to that era of railroad communication between New York and the only markets then having an outlet to the city by rail—Orange, Pike, Sussex, Rockland and Sullivan counties. "Freighters" were a class of middlemen who transacted business between the farmer, the railroad, and the New York dealer in farm produce, and his presence in the traffic was the beginning of the great commission business of New York to-day. The freighter received, loaded, and took to New York all kinds of goods placed in his charge. He found a market for them, sold them, and returned the proceeds to his customers, less a commission. He hired cars of the railroad company for his purpose, and was independent of any interference on the part of the Company in the loading of them. These cars were in charge of men who were dignified by the title of Captain, and, indeed, many of them had been Hudson River skippers, whose business the railroad had ruined. Their headquarters were chiefly at Chester, Goshen, New Hampton, and Middletown.

The first freighters to appeal to the public for business were John M. Cash & Co., of Goshen, who announced, October 8, 1841, two weeks after the railroad opened, that they

were ready to take and forward all kinds of produce to market by the New York and Erie Railroad, sell the same, collect the money for it, and settle with the farmer less the commission. Cash & Co. were quickly followed by others. Prominent among the pioneers who laid the foundation of the Erie's freight business were :

*At Chester :* H. Barnes & Co., Capt. Cornelius B. Wood ; Tuthill & Seely, Capt. G. L. Roe ; Feagles & Leeds, Capt. W. H. Leeds ; Yelverton & Thompson, Capt. William B. King.

*At Goshen :* C. W. Reeves, Capt. A. S. Trimble ; Sears & Brown, Capt. Daniel E. Brown ; Jennings & Thompson, Capt. James W. Thompson.

*At New Hampton :* Dolson, Dunning & Co., Capt. G. L. Dolson ; T. B. Denton & Co., Capt. Nelson W. Hoyt.

*At Middletown :* Stacy Beakes, Capt. D. A. Blake ; Coleman & Finch, Capt. George Coleman ; S. Denton & Co., Capt. C. J. Stephenson.

These freighters, or some of them, provided pasture or feed for cattle, and storage for grain and produce, to accommodate drovers and distant dealers who brought their live stock or goods to Erie stations for shipment. They also had their own freight houses, the Railroad Company simply being transporters. All this business, before the opening of the railroad to Goshen, had its common shipping centre at Newburgh. It was drawn from as far as the Delaware Valley on the west, and all the intermediate country, and all the region lying in Sullivan and Ulster counties within fifty miles, and a large part of Rockland County. The farmers and produce dealers carted their goods by wagon to Newburgh, whence it was carried to market by the Hudson River transportation lines that made Newburgh's importance as a commercial centre. The opening of the railroad to Goshen cut off that great source of trade from Newburgh and Chester and Goshen ; and later, Middletown, Otisville, and Port Jervis became the points of shipment for all that great area of country. For a long time after the railroad was put in operation between Piermont and Goshen, Newburgh produce dealers and transportation lines made desperate efforts to divert business from the railroad and the freighters by sending agents through the producing country to buy butter, grain, pork, cattle, and whatever went to make up the sum of the freight business, at prices higher than the producers would net through the freighters and the railroad. Although this succeeded in taking a great deal of business to Newburgh, it was to the constant financial loss of those who were engaged in the fight against the railroad, and was at last abandoned as a foolish and childish attempt to sustain antiquated methods in competition with the advent of modern and progressive ones in transportation.

With the making of the "Summer Arrangement" for 1845 the additional passenger train was restored to the service. The Company was being reorganized, and great expectations were indulged that work in pushing the railroad on its way westward was soon to be resumed, it having been in suspension ever since the spring of 1842. The public was informed by the time-table that "the new, commodious, and fast-sailing

steamboat 'St. Nicholas,' in connection with the passenger trains, will run entirely independent of the barges and freight trains. The time of running between Middletown and New York will be five hours." One freight train was run daily each way. "The manifests will be closed at the time specified for leaving, at the depots above named, and all articles entered for transportation after these hours will be forwarded next day," as shippers were officially notified by Superintendent H. C. Seymour.

By the "Winter Arrangement" for 1845-6 one regular passenger train was taken off and the accommodation train put on in connection with the freight boats, "until further notice or the close of navigation above the Highlands." Shippers were notified that no one could ship live stock except on Tuesdays, Thursdays, and Saturdays. April 1, 1846, a time-table containing some noticeable announcements was adopted. The fare was reduced to attract travel that might go to the Hudson River boats at Newburgh. Two passenger trains and a freight train were run each way daily.

*(From the Time-table.)*

Breakfast may be had on board the steamboat by passengers leaving New York at 7 a. m.; also, Supper and Berths on the evening trip to New York.

Tickets to New York can be purchased at the several offices, and of the conductors upon the trains ; and Tickets from New York will be sold at the captain's office on the steamboat.

Persons who do not procure Tickets, will be charged as way passengers, at rates not exceeding  $2\frac{1}{2}$  cents per mile.

No commutation, either by the year or quarter ; but Tickets, not transferable, will be sold at reduced rates, by the several ticket agents, in packages of 12, 24, 36, &c., with the names of the persons to whom sold inserted therein.

Up to this time there had been no General Ticket Agent in charge of that department of the Company's business, but one had now been provided, in the person of Henry Fitch. As will be seen by the above notes to the time-table, he had begun to put some system into the conduct of the passenger business, and system in that line was a new thing in railroad-ing, for as yet the freight and passenger business in railroad traffic had not been governed by any special rules apart from each other, more than to separate the earnings from each department in the accounting and book-keeping. Mr. Fitch, as the first General Passenger and Ticket Agent of the Erie, had no precedent to guide him in formulating a system out of which was to gradually grow and develop the stupendous machinery required to conduct the passenger business of the Erie to-day, and was obliged to originate and experiment.

Henry Fitch was educated at Yale College. In 1846 he was a preceptor in the Academy of Goshen, N. Y., and retired to take charge of the Erie's passenger business. He remained with the Erie until 1853, when he resigned to accept the position of purchasing agent of the Louisville and Nashville Railroad. He subsequently became a bridge contractor, and made a fortune. This he increased as a broker in Wall Street. He died April 19, 1895, aged 76 years, his death following by a few hours that of his wife.

In September, 1846, Capt. "Alec" Shultz, who owned the Hudson River steamboats that ran in connection with the trains at Piermont, and who seems to have been a man with no inconsiderable "pull" in Erie transportation affairs, conceived the idea of an excursion over the railroad, and down the river and bay to Coney Island, then a sand barren, except at its northern extremity, where famous clam bakes were served. The idea meeting with the approval of Superintendent H. C. Seymour and his lieutenant, S. S. Post, the event was announced:

#### TO NEW YORK BAY.

The citizens of Orange County are notified that arrangements have been made for an excursion

ON THURSDAY, THE 17TH INST.

The Excursion Train will leave Middletown at 6 3-4 A. M., and stop at New Hampton, Goshen, Chester, Oxford, Monroe, Turners, Monroe Works, Ramapo Station and Monsey; and will return, stopping at the same places, about the usual time of the Regular Evening passenger Train up.

The steamer will proceed immediately down to CONEY ISLAND, passing the DUTCH FLEET OF WAR; the QUARANTINE; the FORTIFICATIONS on the NARROWS, &c.

After landing at Coney Island, now well fitted for the reception of visitors, and partaking of Clam Chowder, &c., the party will return by way of the new channel and obtain a fine view of COL. STEVENSON'S REGIMENT OF CALIFORNIA VOLUNTEERS, now encamped on the shore of Governor's Island.

The Boat will then run up the EAST RIVER as far as HURLGATE, passing near the NAVY YARD, and in full view of the numerous Vessels of War, now there.

The proposed trip will present to the observation of Ladies and Gentlemen some of the most interesting scenes and scenery in the world.

MUSIC will be provided on the Boat, and every effort made to render the occasion pleasant and joyous.

FARE for the excursion only ONE DOLLAR.

September 11, 1846.

Like its predecessor of July 4, 1842, this early Erie pleasure excursion was not a success. Only about 200 persons were attracted by the features of the occasion. This was in a great measure due to the fact that the horror of the disaster that had befallen an excursion party on the railroad only six weeks before was still fresh in the minds of every one in all the country then tributary to the Erie, and people were timid about riding on the cars, particularly on such an occasion. This disaster was the first serious accident in the history of the railroad and it had carried mourning to many families. (Page .)

This first Coney Island excursion was a failure in more respects than one. The most conspicuous of these was the fact that it failed to go to Coney Island. A former resident of Goshen, who was one of the excursionists, and who lives to-day (1898) to tell about it, had such little faith in the sponsors of the affair that he declares it to be his belief that they never intended that the excursion should go to Coney Island. The steamboat, which was the "St. Nicholas," went no further down the bay than the Battery, but did take the excursionists up the East River to Hell Gate, where she turned immediately and sailed back to the Erie pier at the

foot of Duane Street, and lay there from 2.30 until 4.30 P.M., when she started for Piermont. The train arrived at Goshen at 9.30 P.M., "the band," says this surviving excursionist of indignant memory, "making a last effort to play 'Home, Sweet Home'—and such music! Terrible!" (Wilmot M. Vail, Port Jervis, N. Y.)



HENRY FITCH.

Work on the railroad was resumed toward the beginning of 1846, and when the next time-table of the Erie appeared it announced:

#### THE OTISVILLE EXTENSION OF THE NEW YORK AND ERIE RAILROAD,

will be opened to the public on TUESDAY, November 3d., when the following CHANGE OF HOURS will be made:

##### FOR PASSENGERS:

Leave New York (foot of Duane st.) at 8 o'clock a.m., and 4 o'clock p.m.

Leave Otisville at 6½ a.m., and 4½ p.m.

FARE between New York and Otisville, \$1.50.

##### FOR FREIGHT:

Leave New York at 5 o'clock, p.m., and arrive in Otisville in the afternoon of the next day.

Leave Otisville at 11 o'clock, a.m.; Middletown at 12 m.; Goshen at 1 p.m.; and Chester at 1½ p.m.; arriving in New York same night.

But little change in this time-table was made during the winter, except that a "through" freight line was established between Otisville and New York, running Tuesday, Thursday, and Saturday, and stopping only at Middletown, Goshen, and Chester. A way freight train left Otisville at "7.45 A.M.

on Monday, Wednesday and Friday, arriving at Piermont the same day, and New York the next day." Freight was received on board the barges "Samuel Marsh" and "Henry Suydam, Jr."

In March, 1847, the first time-table ever published by the Erie giving schedule time for trains at all stations was issued

milk trains being authorized to "take along and deliver" certain articles of merchandise at an advance in the regular rate. The question of the right of passengers to carry parcels and bundles into the cars, which has only within the past year or two disturbed the amicable relation of suburban patrons with the railroads on which they travel to and from

# NEW YORK & ERIE RAIL-ROAD.

THE SPRING ARRANGEMENTS OF THIS LINE WILL COMMENCE ON

## THURSDAY,

APRIL 1st, when the Cars and Boats will run as follows:



### FOR PASSENGERS:

Leave NEW-YORK (Foot Duane St.) at 7 o'clock A. M. and 4 o'clock P. M.  
 Leave OTISVILLE at 6 A. M. and 5 P. M. MIDDLETOWN at 6:1-2 A. M. & 5:1-2 P. M.  
 " GOSHEN 5 minutes before 7 " & 5 minutes before 6 " CHESTER " 7:1-4 " & 6:1-4 "

### FOR FREIGHT:

Leave NEW-YORK (from Foot Duane St.) every day (except Sundays) at 5 o'clock P. M.  
 Leave OTISVILLE at 10:1 A. M., MIDDLETOWN 11:1, GOSHEN 12:1 and CHESTER at 1 o'clock P. M.

# ON MONDAY, MAY 3d,

A change will be made in the time of leaving Otisville for New York by the Passenger Trains, WHEN THE REGULAR

## SUMMER ARRANGEMENT

Will go into operation, and an entire separation of the PASSENGER and MILK Trains will be effected.

### Trains for New York will then leave as follows:

#### FOR PASSENGERS:

Otisville	6:30 A. M. and 4:15 P. M.
Middletown	6:45 " " 4:25 "
New Hampton	7:00 " " 4:40 "
Goshen	7:10 " " 4:52 "
Chester	7:22 " " 5:00 "
Oxford	7:30 " " 5:15 "
Meunier	7:45 " " 5:30 "
Turners	7:55 " " 5:38 "
Meunier Works	8:00 " " 5:50 "
Meunier	8:20 " " 6:00 "
Stations	8:40 A. M. and 6:22 P. M. Ramapo Works 8:45 A. M. and 6:25 P. M.
Stations	8:50 " " 6:35 " Meunier " 9:00 " " 6:50 "
Spring Valley	9:10 " " 6:55 " Clarkstown " 9:15 " " 7:00 "
Blauvelt	9:30 " " 7:15 " Piermont " 9:40 " " 7:25 "

Arrive in New York 11:30 A. M. and 9:15 P. M.

#### FOR MILK:

Otisville	5:30 A. M. and 5:30 P. M.
Middletown	5:45 " " 5:45 "
New Hampton	6:00 " " 6:00 "
Goshen	6:12 " " 6:12 "
Chester	6:25 " " 6:25 "
Oxford	6:35 " " 6:35 "
Meunier	6:45 " " 6:45 "
Turners	6:55 " " 6:55 "
Meunier Works	7:05 " " 7:05 "
Meunier	7:15 " " 7:15 "
Stations	7:25 A. M. and 7:25 P. M. Meunier Works 7:35 A. M. and 7:35 P. M.
Stations	7:50 " " 7:50 " Suffern " 8:10 " " 8:10 "
Spring Valley	8:35 " " 8:35 " Spring Valley " 8:40 " " 8:40 "
Blauvelt	9:00 " " 9:00 " Piermont " 9:10 " " 9:10 "

Arrive in New York 11:30 A. M. and 4:00 A. M.

### The Freight Trains and the Passenger Trains from New-York,

will continue to leave at the time stated above. The return Milk Trains will leave Piermont half an hour behind the Passenger Trains, and will take along and deliver at the above named Depots and Stations, all the Packages, Parcels and light articles of Freight, which may be regularly marked and directed, and put in charge of the Agents of the Company for that purpose. Freight &c. by this line will be charged 25 per cent in addition to the regular advertised rates.

NOTE: No Freight, Boxes or Trunks, except Baggage consisting of Wearing Apparel, and such articles as custom usually permits to be taken by Passengers, will be allowed upon the Passenger Trains, unless by special agreement and payment made in advance, when the charges will be at the rate of 50 cents per 100 lbs. If weighing more than 50 lbs. a charge of 25 cents will be made. For information relating to freight &c. enquire of S. S. Foss, Supt. Transportation.

**MARCH 1847.** **H. O. SEYMOUR, Superintendent.**

HEAD & WEBB, PRINTERS...Democrat & Whig Office, Goshen.

FACSIMILE OF OLD ERIE TRAIN SCHEDULE, ONE-QUARTER SIZE OF ORIGINAL. ORIGINAL LOANED BY FRANK DRAKE, ESQ., GOSHEN, N. Y.

in the form of a handbill. This is historically very valuable, and is reproduced in facsimile as above. As will be seen, by this arrangement "an entire separation of the passenger and milk trains" was effected, thus fixing the date when the milk traffic had assumed proportions demanding distinct attention from the Company. This time-table, also, would seem to mark the beginning of the railroad express business on the Erie, as indicated by the paragraph relating to the return

their homes, the right being disputed by the companies, was very positively denied by this Company half a century and more ago, as witness the testimony to that effect by this rare and incontrovertible witness from the pioneer days of rail-roading on the Erie.

The next event, the importance of which finds no demonstration in the cold record of the time-tables, was this:

## BETWEEN THE OCEAN AND THE LAKES

## NEW YORK &amp; ERIE RAILROAD

EXTENDED TO  
PORT JERVIS.

## WINTER ARRANGEMENT.

Until further notice, the different trains will run *once each way* daily, [except Sundays] as follows:

## FOR PASSENGERS:

Leave New York, by steamboat, [Foot Duane street] at 7½ o'clock A.M.	
" Otisville,	7
" Middletown,	7½
" Goshen,	7¾
" Chester,	8

stopping each way at the several intermediate passenger stations.

☞ No Packages, Parcels, Trunks, (or baggage except personal, consisting of clothing, not exceeding 50 lbs.) will be taken by the Passenger Boat or Trains, unless by special agreement and payment made in advance, in which case the charges will be at the discretion of the Agent, not exceeding double the published Freight rates. Applications in New York must be made to Mr. J. F. Clarkson, agent, at the office on the Pier at the foot of Duane st., upon which receipt articles will be received upon the steamboat and forwarded by the Passenger train. The Company will be responsible for no article whatever sent by the Passenger Boat or Trains, unless it be receipted for by an agent duly authorized; except personal baggage which is put in charge of the Baggage Masters.

## FOR FREIGHT:

Leave New York, at 3 o'clock P.M., per Barges *Samuel Marsh*, *Henry Suydam, Jr.*, and *Dunkirk*.  
Leave Port Jervis at 7 o'clock A.M., Otisville at 8, Middletown at 9½, Goshen at 10½, and Chester at 11.

## AN ACCOMMODATION &amp; MILK TRAIN

will run in connection with the steamboat which tows the Freight Barges, leaving New York at 3 o'clock P.M. and ordinarily arriving at Piermont in time for the train to start from 6 to 7 o'clock for Port Jervis and all the intermediate stations. Leave Port Jervis at 1½ P.M., Otisville at 2, Middletown at 2½, Goshen at 3, Chester at 3½, Turners at 4, Monsey at 5 o'clock, and arrive at Piermont at 6 o'clock P.M.; thence leaving for New York by a comfortable steamboat, as soon as the milk is put on board and the barge is in readiness. Good Berths will be provided on board at 25 cents, and Meals at 37½ cents each.

N. B.—Persons having articles lost, damaged or unnecessarily delayed, are requested to communicate the fact in writing *immediately*, to S. S. Post, Superintendent of Transportation office at Piermont. For other information, enquire of the several Depot Agents, the Supt. Transportation, or the undersigned.

H. C. SEYMOUR, *Superintendent*.PIERMONT, *January 1, 1848.*

Port Jervis was the terminus of the Railroad from January, 1848, until January, 1849, when the line was opened to Binghanton. The only change made in the running of trains during that time was the putting of a passenger train on the line between Port Jervis and Piermont, January 8, 1848, and a second one March 1, 1848. One left Port Jervis at 6 A.M. and the other at 3 P.M., and New York at 7 A.M. and 4 P.M. The milk train was discontinued in March, 1848, the milk being transported, "until further notice," by the passenger trains, morning and evening. The milk trains were put back May 1st following, one leaving Port Jervis in the morning and the other in the evening.

A coming event of great importance to the Erie was

foreshadowed in the fall of 1848 by this announcement in the local newspapers:

## RAIL-ROAD NOTICE.

## THE PATERSON &amp; RAMAPO RAIL-ROAD

being finished, the cars will commence running regularly on Wednesday, the 1st of November, leaving New York by the Jersey City Ferry Boats, foot of Cortlandt street, at 8 o'clock A.M. and 5 o'clock P.M., and Suffern's Depot (on the Erie Rail-Road,) on the arrival of the cars which leave Port Jervis at 6 A.M. and 3 P.M.

## THE ACCOMMODATION TRAIN

will leave Suffern's Depot at 7 A.M., and Cortlandt st. Ferry, New York, ¼ before 3 P.M.

## THE TRAIN TO AND FROM PATERSON.

Leave Paterson at 8½ A.M., 11½ A.M. and 3 P.M.

Leave New York at 9½ A.M., 12½ P.M. and 4 P.M.

☞ Passengers are requested to be at the Ferry five minutes previous to the hours of starting.

*October 30, 1848.*

Not that such an event was unexpected, for the Ramapo and Paterson Railroad had been gradually pushing its way from Paterson, N. J., up through the Paramus Valley toward the Ramapo Valley for three years or more, and it was well known that there was nothing to warrant the expense of such an undertaking except that its northern terminus would be not far from the Erie's track at Suffern, and that, as at its southern terminus the track of the Paterson and Hudson River Railroad began and ran directly to a point on the North River opposite New York City, this would bring travellers over the Erie an hour nearer the city than the regular Erie route via Piermont and the Hudson River boats. Naturally the projectors of the new railroad argued this would divert a large part of that travel to the Ramapo and Paterson line. To such an extent was this expectation realized that the sale of tickets to Suffern at Erie stations increased in astounding degree, and the demand for tickets to New York decreased proportionately. Although the railroad was then in operation as far west as Port Jervis, the travel that left the Erie at Suffern, to make the rest of the journey to New York over the New Jersey line, grew to such proportions that the companies operating that line were in a short time warranted in improving their accommodations, as the following time-table shows:

RAMAPO & PATERSON, PATERSON & HUDSON RIVER  
RAIL-ROAD.

## EXPRESS TRAINS

Will leave the Depot at Suffern regularly on the arrival of the Passenger Trains from the West, and reach Jersey City in about one hour from the time of departure.

## RETURNING,

(until further notice) will leave New York, foot of Cortlandt street, at 8 o'clock a.m. and 5 o'clock p.m.—*always* arriving at Suffern in time to meet the Passenger trains going west via Piermont.

These trains will stop at the following places only: Ramsey's, Hohokus, Rock Road, Paterson, Aquackanonk and Bergen.

☞ Personal baggage conveyed to and from the office of the Com-

pany, 75 Cortlandt st., N. Y., free of charge. Passengers are requested to be at the Ferry a few minutes before the hour of starting.

December 14, 1848.

The last time-table adopted between New York and Port Jervis, while the latter place was the western terminus, was dated January 1, 1849, and it did not show that any very encouraging growth of traffic had followed the railroad's

above line, leave the foot of Cortlandt street, crossing to Jersey City, one hour after the Erie Railroad boat leaves Duane st., and arrive at Suffern's in time for the Erie cars going west. Those coming East, can leave the Erie train at Suffern's Depot, and by this route arrive in N. Y. at least one hour and a half sooner than by the Erie line. The Ramapo Cars leave Suffern's immediately on the arrival of the Erie train coming East, and always arrive from New

## TIME TABLE.

A. 23d, April, 1849.

NEW YORK AND ERIE RAILROAD.

*No Train will be allowed under any circumstances to leave a station before the time specified in this Table, as regulated by the Clock at the Piermont office.*

EASTERN TRAINS, Port Jervis to New York.							WESTERN TRAINS, New York to Port Jervis.						
NAMES OF DEPOTS, STATIONS AND PASSING PLACES.	Freight Trains.		MILK TRAIN.	PASSENGER TRAINS.			NAMES OF DEPOTS, STATIONS AND PASSING PLACES.	PASSENGER TRAINS.		MILK TRAIN.	Freight Trains.		NAMES OF DEPOTS, STATIONS AND PASSING PLACES.
	NIGHT.	DAY.		WAY.	THROUGH	AC'D A'N.		WAY.	THROUGH.		DAY.	NIGHT.	
New York			11 15	11 15	8 00	12 00	New York	7 00	8 00	4 00			New York
Pier	7 10	3 10					Pier	8 30	9 30	5 30	6 00	7 30	Pier
Piermont	7 04	3 04	9 26	9 56	6 36	9 11	Piermont	8 34	9 34	5 34	6 09	7 40	Piermont
Blauveltville	<b>6 40</b>	2 39	9 15	<b>9 46</b>	<b>6 24</b>	8 56	Blauveltville	<b>8 49</b>	<b>9 46</b>	5 46	<b>6 24</b>	<b>6 40</b>	Blauveltville
Clarktown	6 14	2 14	<b>9 04</b>	9 34	<b>6 10</b>	<b>8 46</b>	Clarktown	<b>9 04</b>	9 58	5 58	6 47	<b>7 10</b>	Clarktown
Spring Valley	5 58	1 57	8 53	9 26	<b>6 03</b>	8 33	Spring Valley	<b>9 12</b>	10 06	<b>6 03</b>	6 54	7 35	Spring Valley
Monsey	5 44	1 43	8 44	<b>9 18</b>	5 53	8 24	Monsey	<b>9 18</b>	10 11	6 11	7 12	7 50	Monsey
Sufferns	5 12	1 10	<b>8 22</b>	9 03	5 36	8 01	Sufferns	<b>9 24</b>	10 27	6 27	<b>7 36</b>	<b>8 22</b>	Sufferns
Ramapo W'ks	5 00	12 57	8 13	8 56	5 29	<b>7 50</b>	Ramapo W'ks	9 31	10 33	6 35	<b>7 50</b>	8 37	Ramapo W'ks
Ramapo Sta'tn	4 54	12 51	8 08	8 54	5 27	7 47	Ramapo Sta'tn	9 37	10 40	6 42	8 07	8 42	Ramapo Sta'tn
Sloatsburg	4 43	12 38	8 04	<b>8 50</b>	5 19	7 38	Sloatsburg	9 42	10 43	6 46	8 18	<b>8 50</b>	Sloatsburg
Monroe W'ks	4 03	11 58	7 45	8 33	4 59	<b>7 08</b>	Monroe W'ks	<b>10 04</b>	11 03	<b>7 08</b>	8 37	<b>10 04</b>	Monroe W'ks
Turners	3 38	<b>11 22</b>	7 27	8 18	4 41	6 46	Turners	10 29	<b>11 22</b>	7 29	8 55	<b>10 44</b>	Turners
Monroe	3 09	<b>11 04</b>	7 13	8 07	4 33	6 31	Monroe	10 40	11 33	7 40	9 06	<b>11 04</b>	Monroe
Oxford	2 50	<b>10 49</b>	7 02	7 59	4 24	6 20	Oxford	<b>10 49</b>	11 43	7 54	9 16	11 22	Oxford
Chester	2 24	10 17	6 50	7 49	4 14	6 06	Chester	11 03	<b>11 55</b>	8 04	9 27	<b>11 55</b>	Chester
Goshen	<b>1 50</b>	9 43	6 31	7 32	3 58	5 46	Goshen	11 25	12 12	8 25	9 44	12 40	Goshen
New Hampton	1 10	9 01	6 15	7 19	3 45	5 29	New Hampton	11 42	12 26	8 42	9 57	1 14	New Hampton
Middletown	12 43	8 33	6 03	7 09	3 35	5 16	Middletown	11 58	12 41	8 58	10 12	1 43	Middletown
Howells	12 09	7 59	5 45	6 54	3 17	4 57	Howells	12 13	12 57	9 13	10 27	2 20	Howells
Otisville	11 41	7 31	5 30	6 40	<b>3 00</b>	4 41	Otisville	12 30	1 12	9 30	10 42	<b>3 00</b>	Otisville
Shin Hollow	10 45	6 35		6 18	2 39	4 18	Shin Hollow	12 49	1 31	9 49		<b>3 30</b>	Shin Hollow
Port Jervis	10 20	6 10		6 00	2 20	4 00	Port Jervis	1 00	1 50	10 00		4 00	Port Jervis
	Leaves	Leaves	Leaves	Leaves	Leaves	Leaves							
	After'n	Morning	Morn'g	Morn'g	After'n	After'n							

The large figures shew the points of meeting of trains. The letter P is added where the expected train is a passenger train.

All passenger trains going East are entitled to the road; Passenger trains going West, will keep out of the way of the Eastern passenger trains.

When engines are transferred from one principal station to another, they shall follow one of the times of this table and be subject like extra trains to the directions given in the 17th and 18th clauses of the Instructions.

In regard to gravel trains see the 12th clause of the Instructions.

The night freight trains until further notice will leave Piermont on Tuesdays, Thursdays and Saturdays, and will leave Port Jervis for Piermont on Mondays, Wednesdays and Fridays. They will only be put on the road when necessary.

FACSIMILE OF ORIGINAL, REDUCED ONE-THIRD. ORIGINAL LOANED BY H. A. HORTON, ESQ., OF GOSHEN, N. Y.

extension to the Delaware Valley, for the afternoon passenger train and one milk train were taken off, and the two combined into an accommodation train to run in connection with the freight barge from Piermont, leaving Port Jervis at 4 P.M., and New York at the same hour. But the railroad was opened to Binghamton about that time, and immediately after that the Ramapo and Paterson and Paterson and Hudson River Railroad lines informed the travelling public that "travellers going West by the Erie Railroad can, by the

York in time to connect with the Erie train going west. Baggage by this route will be taken to and from the R.R. Office, No. 75 Cortlandt st., free of charge. N. B.—Baggage coming East, should be checked to Suffern's."

The facsimile official time-table, as above, is the first one issued in that form under the superintendency of James P. Kirkwood. This one was for the Delaware Division. It is peculiarly interesting as a memento of those ante-telegraph

# INSTRUCTIONS:

- 1st.—No train must under any circumstances leave a station before its time, as specified in the Time Table.
- 2d.—Passenger trains shall not wait for freight trains, but all Binghamton passenger trains going in a direction from Piermont, will keep out of the way of those going towards Piermont; and passenger trains will in no case proceed, where another passenger train having the right to the road is due, until a message has been received from the conductor of that passenger train.
- 3d.—A Binghamton passenger train going towards Piermont, will wait ten minutes at a station where another passenger train should pass, if the expected train has not arrived; it may then proceed, using all necessary precautions. It will also proceed cautiously when running in the time of a delayed freight train, until that train has been met.
- 4th.—A passenger train not entitled to the road, will not proceed towards a station where a passenger train having the precedence is expected to be, unless it shall be able to arrive five minutes before the time of leaving of the latter train.
- 5th.—Freight trains will in all cases wait for passenger trains, and for milk trains, and be kept entirely out of their way, never leaving a station on the time of a passenger or milk train, unless on positive information received from it. The rate of speed is twelve miles per hour for freight trains, and engineers of freight trains are not at liberty to make up for delays by increasing the speed beyond this rate. A freight train which is up to time, will wait twenty minutes at the proper passing place for another freight train which may be delayed. It will then proceed at a walk keeping a man ahead with a proper signal, and using every precaution until it meets the other train or receives a message from it. A freight train which is behind time, will move at a walk, and keep a man ahead with a red flag, or red lantern, as the case may be, until it passes the coming freight train. This does not apply to passenger trains, a freight train never being on the road in the time of a passenger train, unless a message has been received from it. Milk trains will in all cases wait for passenger trains—but will take precedence of freight trains. The rules for freight trains will apply to milk trains—unless when otherwise specified.
- 6th.—In case of accident to a passenger train, or a freight train, the conductor shall immediately send messengers to the stations on either side of him, to notify the way agents, and he shall forward a written message with the least practicable delay to the approaching passenger train,—he shall also station men with red flags, or red lanterns, at some distance on either side of the spot—he shall also communicate with the freight train detained by the accident, and every way agent or other officer on the road will promptly assist the conductor in forwarding the necessary information. The way agents at the stations on either side of the accident, shall make it their business to notify all approaching trains.
- 7th.—A red flag by day, and a red lantern by night, when shown or swung on the track, are signals of danger, on seeing which the engineman will stop the train. All signals violently given are also to be considered signals of danger, and in cases of uncertainty, a man must always be sent forwards.
- 8th.—Every engineman in approaching a road or switch, should move at a moderate speed, and see that the way is clear before he reaches it. If the switch be not seen to be right, he should stop till he is sure.
- 9th.—Enginemen will not start the train till they shall be directed by the conductor, nor until the bell is rung, and they will run the train as nearly to their time as possible, neither arriving at the stations too soon, nor too late for the business usually done there.
- 10th.—The enginemen are held responsible that their engines are neat and in good working order before they start, that their spark arresters and wire-nettings are in good condition, that they have a sufficiency of wood and water in the tender, and that they are otherwise thoroughly provided for the work which they have to perform. Every engineman will not only attend to every signal and to his instructions, but he will be vigilant, and cautious while on the road, not trusting entirely to signals for safety.
- 11th.—If it shall be found impracticable from any unforeseen cause for a freight train in passing from one station to another, to reach the station to which it is proceeding in season, and another train is expected, then the conductor, if the coming train is a passenger train, will cause his train to be backed, keeping a man ahead, to the nearest turn out, and there wait the passing of the train entitled to the road. If this cannot be done, or if the expected train is a freight train, he will be careful to send a man very far ahead with a flag by day, or a lantern by night, to give notice of his approach, and the engineman of the train shall not proceed if these precautions are not strictly observed.
- 12th.—The engines of gravel trains, when leaving a engine house or principal station for the work, or when returning to the same, shall always take the time of one of the regular trains, unless the said engine remains over night, and then station on other side of the work in which case it shall proceed to or from it at a walk, using the greatest precaution. The engines of wood trains shall follow the same rule wherever practicable—they shall never be on the road within twenty minutes of the time of any of the regular trains.
- 13th.—Red flags or red lanterns shall always be placed at a safe distance on either side of the ground where gravel trains are at work, and a man shall remain with them whenever it is advisable for safety. The engineman of the gravel train shall, as well as the conductor, and the foreman in charge of the repairs, be held responsible for the strict observance of this rule, and of every additional precaution which particular circumstances may make necessary to the safety of the road.
- 14th.—Trains in arriving at a turn-out, where a meeting with another train is intended, will enter upon the nearest end of the turn-out, under all circumstances—never passing ahead with the view of backing in upon it. Freight trains when meeting passenger trains will take the turn-out if practicable. In other cases trains will keep to the right.
- 15th.—If freight trains are at any time obliged to keep the main track in passing passenger trains, a man with a flag by day or lantern by night, will be always sent in the direction of the approaching train, to give suitable warning for it to approach carefully, and the conductor of the freight train will see that the switches are right for the passage of the passenger train.
- 16th.—A freight train must not leave a station immediately preceding a station where a passenger train is expected to pass, unless it shall be able to arrive at the latter station by its prescribed rate of running, (which is twelve miles per hour) ten minutes before the time for the passenger train to leave.
- 17th.—When a regular train is divided into two or more distinct trains, a red red flag by day and a red lantern by night, will be exhibited in front of the engines of all the trains except the last.
- 18th.—Red lanterns must be exhibited at night in the rear of all night trains and of all the day trains that may occupy the road after sunset. No excuse will be admitted for any neglect in exhibiting this signal.
- 19th.—In running one train behind another, each engineman must so run as to keep the train ahead of him out of sight—and in approaching a station, particular caution will be used so to slacken the speed as to avoid the possibility of running into the leading train. No excuse as to being deceived about the distance will be received for a neglect of this rule. In case of obstruction, to the leading train, a man shall immediately be sent behind to stop the following train.
- 20th.—Every engineman is authorized to require the conductor and brakemen of his train to be at their posts, and every engineman will be held responsible who proceeds with his train, while any of the instructions detailed here, are neglected or violated. No brakeman will be allowed to leave his post, or to be in a car when the train is running, upon any consideration whatever.
- 21st.—Each conductor or assistant conductor of a freight train will be held responsible for the correct performance of duty of the brakemen of his train. He will require the doors of freight cars always to be closed and locked; and keep the brakemen at their posts. Whenever delay occurs at a station from freight being improperly stowed, he is required to report the circumstances on the same day.
- 22d.—All engines on approaching a station, will pass the switch cautiously; and in all cases stop at the station—unless otherwise instructed. Way agents are expressly required to report all violations of this rule.
- 23d.—All persons in any way in charge of repairs on the road, are required to procure copies of the Time Table, and of the "Instructions."
- 24th.—Enginemen will allow no person to ride upon the engine without express authority from a superintendent of the road.
- 25th.—Conductors of freight trains will, when passing over the maximum grades, station themselves on the rear car of the train, and see that all the brake-men are at their posts.
- 26th.—All persons when at work upon the track, are required to give notice of any obstruction caused by their work, by exhibiting red flags, or red lanterns, conspicuously and at a sufficient distance from the obstruction, taking care always to place them beyond a curve, so that they shall be seen upon a straight line in both directions of the road,—and all conductors, enginemen, &c., are particularly enjoined to proceed with extreme caution, when such signal is exhibited, until the obstruction shall be passed—and in all cases where the obstruction is such as to prevent the passing of the train, a man shall be sent ahead by the person attending to the repairs, with a red flag, or a red lantern, half an hour at least before the train shall be due, and remain with it until he has stopped the train.
- 27th.—Enginemen will be careful to see that the bell is rung at eighty rods before crossing a highway, and kept ringing until the road is crossed.
- 28th.—The clock at the Piermont office shall be the standard time, and all conductors and enginemen before leaving Piermont, are required to compare and regulate their time by that clock, and the conductors of freight trains are required to see that the clocks at all the way stations conform to the standard time.
- 29th.—The conductors of the passenger trains are required to examine the clocks in the ticket offices at Port Jervis and Binghamton daily, and report there whatever difference may exist in the times.
- 30th.—The conductors and enginemen are required to keep themselves informed, by frequent enquiry at the terminal stations, of any changes in the Time Table or Instructions, and ignorance of any such change shall not be received as a reason for delays as accidents.

April 23d, 1849.

J. P. KIRKWOOD, Sup't.

days of railroading, owing to the "instructions" that were printed upon it for the guidance of the engineers, conductors, and trainmen, which will be something to amaze the railroader of this day and generation. The code of regulations for trains thus promulgated was the beginning of a system that was but little improved until the coming of the telegraph.

Binghamton was the western terminus of the Erie five months. The official announcement of the opening to Owego was as modest as all previous notices of the kind, and included the first time-table between New York and that place :

#### NEW YORK AND ERIE RAIL ROAD.

##### EXTENDED TO OWEGO.

On and after the 1st June, the trains will run as follows, daily, except Sundays :—

**FOR PASSENGERS**—*Through Trains* will leave New York for Owego, by steamboat, from the Duane street Pier, at 7½ o'clock a.m. and 5 o'clock p.m., stopping at Ramapo Station, Chester, Goshen, Middletown, Otisville, Port Jervis, and all the way stations west of the last named place ; and will leave Owego, on and after the 4th June, at 6 a.m. and 7 p.m., and Binghamton, on and after the 1st June, at 7 a.m. and 8 p.m., arriving in New York at 7½ p.m. and 8½ a.m., stopping at all the way stations between Owego and Port Jervis ; and, east of Port Jervis, at Otisville, Middletown, Goshen, Chester, Ramapo Station, and Spring Valley.

**WAY TRAINS**—For Port Jervis and all the intermediate stations, will leave New York, by steamboat "Thomas Powell," from Duane street Pier, at 7½ a.m. and 4 p.m.; and will leave Port Jervis at 6 a.m. and 4 p.m.

**MILK TRAINS**—A train leaves Otisville at 5½ a.m., arriving in New York about 11. The afternoon milk is taken by the train leaving Port Jervis at 4 o'clock p.m., and arriving in New York about midnight.

**FREIGHT**—Freight leaves New York every night for all the regular stations on the road. A freight train will leave Owego every morning at 6 o'clock a.m.; and another will leave Port Jervis as usual every morning at 8 o'clock a.m. with market freight, &c.

JAMES P. KIRKWOOD, *Sup't.*

The opening of the railroad to Owego led to the establishing of a passenger and freight route by way of Seneca and Cayuga Lakes and the Cayuga and Susquehanna Railroad to Owego to connect with the Erie. A market line was established by James Sisk, of Binghamton; William Whitney, Dresden, on Seneca Lake; George P. Monell, Dresden; Nathaniel Ells, Owego. Capt. James Sisk had charge of the line, and had agents at all the points from Geneva, on Seneca Lake, to Hancock, in the Delaware Valley, on the Erie. It was called "Everybody's Market Line."

The next momentous event in the progress of the railroad's development was the following announcement :

#### NEW YORK AND ERIE RAILROAD OPEN TO ELMIRA.

On and after Monday, the 1st of October, the passenger train leaving New York at 5 p.m. will run through to Elmira, arriving the next morning.

Freight for Elmira and stations between Owego and Elmira will be received at the Pier foot of Duane Street on and after the 5th of October.

JAMES P. KIRKWOOD,  
*Superintendent.*

Oct. 1, 1849.

The first time-table through to Elmira was this :

#### NEW YORK AND ERIE RAILROAD.

##### OPEN TO ELMIRA.

On and after the 8th October, 1849, the trains will run as follows, Sundays excepted :—

**PASSENGER TRAIN**.—*Through Trains* will leave New York for Elmira, from the Company's Pier, at the foot of Duane street, at 7 o'clock a.m. and 5 o'clock p.m., stopping at all the way stations.

From Elmira the through trains will leave for New York at 6 a.m. and 5½ p.m., stopping also at all the way stations.

**FREIGHT**.—Freight leaves New York every night for all the regular stations on the road. A freight train will leave Elmira every morning at 3.20 o'clock.

Fare from New York to Elmira \$5. The intermediate stations in proportion.

**COMMUTATION TICKETS** at lowest rates for the stations between New York and Port Jervis can be purchased at the New York and Piermont offices.

The steamboat "Erie" leaves N. Y. for Piermont every day at 3 o'clock, and returns on the arrival of the train from Elmira, arriving at New York about 8½ p.m.

Stage lines connect with this road at various stations, to wit : At Elmira with Jefferson and Geneva by the Seneca Lake, arriving at Geneva in time to take the express train going west to Buffalo ; with Tioga Point, Corning, &c.; with Ithaca and Cayuga Bridge, via Cayuga Lake. At Binghamton with Chenango Forks, Green, Oxford, Norwich, &c. At Deposit with Delhi, Bainbridge, Oxford, &c. At Narrowsburgh with Honesdale, Carbondale, Wilksbarre, &c. At Port Jervis with Milford. At Middletown with Wurtsboro, Ellenville, &c.

JAMES P. KIRKWOOD, *Sup't.*

In the latter part of November, 1849, the Chemung Railroad was finished, and November 30th the following announcement was made :

#### CHEAPEST AND QUICKEST ROUTE TO NEW YORK !

By the Railroad recently completed from Jefferson at the Head of Seneca Lake to Elmira, where it strikes the New York and Erie Railroad. Regular running of trains will begin over this route December 5, 1849, thus opening a new route between Geneva and New York, by connection with boats on Seneca Lake at Jefferson, and covering the distance in the short space of Seventeen Hours, at the Moderate Charge of Five Dollars ! More Expeditious and Cheaper than from Geneva to New York via Albany !

The arrangement was not completed until the middle of December, when the Erie leased the Chemung Railroad. Jefferson is now the village of Havana.

December 31st the Erie was opened to Corning, with no further announcement than the official time-table, which stated :

On and after December 31, 1846, the trains will run as follows, Sundays excepted :

**MORNING TRAIN** for Elmira, Corning, and intermediate places, leaves the Pier at the foot of Duane street, at 7 o'clock a. m., arriving the same evening.

**EVENING TRAIN** for Elmira, Corning, Jefferson, Geneva, Rochester, Buffalo and intermediate places, leaves at 4 p. m., arriving at Buffalo the next evening. Fare to Geneva \$6.50 ; to Rochester \$8.15 ; to Buffalo \$10.35.

Passengers for Ithaca and Cayuga Lake take the cars of the Cayuga and Susquehanna Railroad at Owego.

Passengers for Tioga and Iycoming Counties, Pa., take the cars of the Corning and Blossburg Railroad, at Corning.

Passengers for NEW YORK leave Geneva at 6 a. m. and 2 p. m.

Leave Jefferson at 8.25 a. m. and 4.30 p. m. Leave Corning at 4.20 p. m. Leave Elmira at 9.24 a. m. and 5.44 p. m. Owego 10.50 a. m. and 7.35 p. m. Binghamton at 11.39 a. m. and 8.27 p. m. Deposit at 1.32 p. m. and 10 p. m. Narrowsburgh at 3.44 p. m. and 12.45 a. m.

Freight leaves New York for all the regular stations on the road at 4 a. m. Leaves Jefferson at 7.55 a. m. and Corning at 11 p. m. for New York.

Geneva, N. Y., thus became what might be called the western terminus of the Erie. Connection was made there with local railroads for Buffalo and Rochester.

The first time-table for the Newburgh Branch was published January 8, 1850. A passenger train ran from Newburgh twice a day, morning and evening, connecting at Chester with trains on the main line. One freight train was run, but had no schedule time.

Corning was the western terminus of the Erie until September, 1850, and no change was made in the running or number of through trains. In that month the railroad was opened to Hornellsville, but Geneva was still the main objective point, and the time-table of December 2, 1850, was headed, "New Route to Buffalo and the West." The steamer "Thomas Powell" carried the passengers from New York. For the West there was an express train at 7 A.M., arriving at Geneva at 10 P.M.; a way and mail train at 7 A.M. for Elmira, stopping at every station, and "arriving at Elmira the same evening"; a way train at 3 P.M. for Otisville; and a night express at 4 P.M., stopping at principal stations to Binghamton, and at all stations west of Binghamton. By the 7 A.M. express train, "Passengers for Rochester, Buffalo, etc.," the time-table stated, "can lodge at Geneva, or on board the boat on Seneca Lake, where comfortable berths are provided, and take the Express Train from Albany next morning, arriving at Rochester and Buffalo at the same time as passengers via Albany, with the advantage of a night's rest." And by the 4 P.M. express they "proceed to Geneva and take the train, arriving at Buffalo the same evening." Eastward, an express train (boat on Seneca Lake) left Geneva at 4 A.M., and Hornellsville at 5.40 A.M., arriving at New York at 9.14 P.M.; a way and mail train left Elmira at 5.50 A.M.; a night express train left Geneva at 1 P.M., and Hornellsville at 2.20 P.M., arriving at New York at 8 A.M., and a way train left Otisville at 6 A.M., arriving at New York at 11.

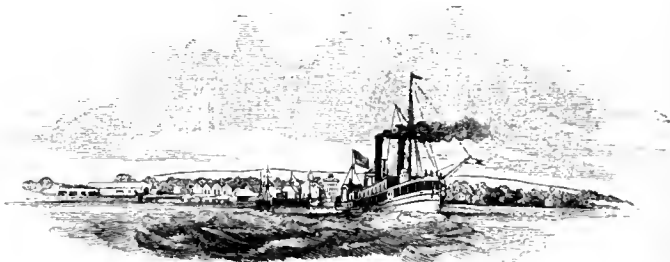
April 14, 1851, the following announcement appeared:

#### NEW YORK AND ERIE RAILROAD.

In anticipation of the opening of the road, the Directors of the Company have made arrangements to ticket passengers and check baggage through to Chicago, Detroit, Cleveland, Toledo and other places on the Lake. On the arrival of the trains at Dunkirk, the steamers "Chicago," "Queen City" or "Keystone State" of the Detroit line—the "Empire," "Saratoga" or "Alabama" of the Cleveland or Toledo line, will be in readiness to convey passengers directly through to those places. The steamers "Albany," "Diamond" and "Fashion" will also form a line between Dunkirk and Cleveland, landing at the intermediate ports.—These steamers are all first-class

vessels, are fast sailers, and have superior accommodations. When these arrangements are completed, it is intended to convey passengers from this city to Dunkirk in sixteen hours (night line eighteen hours); to Cleveland in twenty-six or twenty-seven hours; to Detroit in thirty-six hours; to Cincinnati in forty hours, and to Chicago in forty-eight or fifty hours.

The benefit which these arrangements will confer upon the travelling community cannot be estimated, and the Company feel confident that their efforts to accommodate the public will meet with a liberal reward.



ERIE TERMINUS, DUNKIRK HARBOR, 1851.

May 15, 1851, the road was open to Dunkirk, and the first through official announcement for business published in the newspapers was dated May 19th. This was it:

#### NEW YORK AND ERIE RAILROAD.

1851.

For Dunkirk, Detroit, Chicago, Milwaukee, and other ports on Lake Michigan and St. Louis.

From New York to Detroit in 35 hours, direct from Dunkirk without landing; to Chicago in 50 hours; to Milwaukee in 60 hours.

*Time saved is money earned.*

One of the following new low-pressure steamers—"Keystone State," Capt. W. P. Stone, "Niagara," Capt. A. Walker, "Queen City," Capt. T. J. Titus—leave Dunkirk daily at 11 o'clock a.m., or on the arrival of the Evening Express Train from New York, in connection with the Michigan Central Railroad.

By leaving New York at 6 p.m., passengers arrive at Dunkirk next morning, take one of the above steamers direct for Detroit, arriving in time for the Day Express Train over the Michigan Central Railroad and arrive in Chicago same evening, 12 hours ahead of the Albany route. Baggage checked from New York to Detroit free of portage.

By leaving New York same time, via Albany & Buffalo Railroad, arrive in Detroit at evening, and Chicago the next morning, with a night's ride over the Michigan Central Railroad, and 12 hours longer time.

Three other lines of first-class steamers connect with the Road at Dunkirk, viz.: Sandusky Line, Toledo Line, and Walbridge's Line, running in connection with the Cleveland, Columbus and Cincinnati Railroad, Sandusky and Cincinnati Railroad, Michigan Southern Railroad and Ohio and Indiana Canals at Toledo, and Michigan Central Railroad at Detroit.

[See small bills of each steamboat line for time connections, fare, &c.]

Fare from New York to Dunkirk, \$8.00.

The fare will be given in a few days from New York through to Detroit and Chicago.

Through tickets can be obtained at the office of the Company.

New York office, foot of Duane street.

CHAS. MINOT, *Superintendent.*

The railroad was opened for regular business Monday, May 19, 1851, and this was the first official time-table of trains from New York:

## NEW YORK AND ERIE RAILROAD.

On Monday, the 19th instant, the following trains will leave New York from Duane Street Pier, till further notice :

*For Dunkirk*—Express Trains at 6 A.M. and 6 P.M. Mail Train, via Piermont, at 8 P.M.

The Evening Express Train connects at Dunkirk with the splendid steamers Niagara, Keystone State and Queen City, one of which leaves immediately on the arrival of the train, for Detroit direct, running through in about thirty-six hours from New York to Detroit, and forty-three to Chicago.

The Morning Express Train connects with splendid steamboats for Cleveland direct, and with other boats for Erie, Sandusky, Toledo, &c. Passengers by this line arrive at Cleveland in about twenty-three hours from New York.

Passengers from Buffalo can take either Express Train and arrive by the Morning Train at Geneva at half past 7 P.M., and at Buffalo the same night ; by the Evening Train arrive early the next morning and proceed direct to Buffalo.

Way Trains for Otisville at 8.30 P.M., via Piermont, and at 6.10 P.M., via Jersey City.

N. MARSH, *Secretary*.

May 19, 1851.

The first train from Dunkirk came through in seventeen hours, and brought 100 through passengers. It arrived at Jersey City at 11 P.M., Monday, May 19.

The first freight train to come East over the Erie from Dunkirk left that place Monday morning, May 19th. It arrived at Piermont Tuesday evening, May 20th. It contained a car of live stock which was consigned to Powell, Ramsdell & Co., of Newburgh, by William Lisle. Some of the cattle were sent to New York, and were the first transported over the Erie to arrive at that city.

Following is the initial schedule of trains to New York :

## NEW YORK AND ERIE RAILROAD.

## NEW ROUTE TO NEW YORK CITY, VIA DUNKIRK

and the Erie Railroad, connecting with first-class Steamers on Lake Erie, the Michigan, Cleveland, Columbus & Cincinnati, Cleveland & Pittsburgh, and Sandusky & Cincinnati Railroads, and Steamers on the Ohio and Mississippi rivers, and the Ohio, Indiana, and Pennsylvania Canals.

Trains leave Dunkirk as follows :

- 1st. Morning Express Train at 6 A.M.
- 2d. Morning Mail Train at 9 A.M.
- 3d. Evening Express Train at 4 P.M.

Fare from Dunkirk to New York, \$8.00.

Second Class Fare will be given in a few days.

The Express Freight and Cattle Train, leaves Dunkirk daily at 4 A.M., to which a Passenger Car is attached for the accommodation of way Passengers and Drovers.

Particular attention paid to the shipment of Stock and Freight of every description. The gauge being 6 feet wide, gives this route great advantages over narrow Roads, in the transportation of stock and all other Freight.

Additional Trains will be put in commission in a very short time.

Freight Tariffs distributed, giving full particulars in regard to the prices of Freight

Freight carefully shipped at Dunkirk, and each of the following Freight stations : Forestville, Smith's Mills, Dayton, Cattaraugus, Little Valley, Great Valley, Allegany, Olean, Hinsdale, Cuba, and all other Eastern Stations.

C. MINOT, *Superintendent*.

J. NOTTINGHAM, *Agent*.

DUNKIRK, May 19, 1851.

The following was an interesting event in the early history of the Erie as a through line :

## NEW YORK AND ERIE RAILROAD.

## EXCURSION TICKETS.

In order to afford the Stockholders an opportunity to visit and examine the road, the Directors have resolved to issue Excursion Tickets to Stockholders, from the present time till July 10, 1851, at the following low prices :

From New York to Dunkirk and back..... \$8.00  
From New York to Dunkirk ..... 5.00

The tickets to Dunkirk and back will be good for ten days from their date, and those to Dunkirk only, three days from their date, affording an opportunity to stop at any of the stations on the road and resume the journey at pleasure, within the time limited. The tickets will be sold only at the office, No. 45 Wall St., New York.

NATHANIEL MARSH, *Secretary*.

NEW YORK, June 5, 1851.

The next through Erie time-table tells how completely travel to and from the West had been revolutionized by the completion of the Erie, and was but the foreshadowing of the time of universal rail communication on the continent, the great idea of which was born of the impulses that created and carried forward to success the New York and Erie Railroad, the first link in that now perfect chain of transcontinental communication. On this Erie time-table the "Emigrant Train" first finds a place among the listed trains of the road. The schedule was the "Fall Arrangement for 1851." Three through trains were run between New York and Dunkirk, each way, and the "suburban" traffic required two trains from, and one to, New York. Following is the schedule :

1. Day Express Train, at 6 am. (Sundays excepted) for Dunkirk, there connecting without delay with first class steamers for Cleveland, running in connection with the express train from Cincinnati ; and with first class steamers for Toledo and Monroe, running in connection with the Michigan Southern Railroad. Dinner at Deposit, and Supper at Hornellsville. Passengers by this train take the Canandaigua Railroad at Elmira, and arrive at Rochester and Buffalo the same evening.

2. Mail Train, at 8 am. (Sundays excepted) stopping at all the stations. This train remains over night at Elmira, and goes on next morning at 7:30, arriving in Dunkirk at 4:55 pm. (Dinner at Narrowsburgh.)

3. Way Train, at 3 pm. (Sundays excepted) for Piermont and Suffern.

4. Way Train, at 5 pm. (Sundays excepted) for Sufferns, Delaware and intermediate stations.

5. Evening Express Train, at 6 pm. for Dunkirk, and there connecting with first class steamers for Detroit direct ; and also for Erie, Ashtabula, Cleveland, Sandusky, Toledo and Monroe. On Saturdays this train runs only to Elmira. (Supper at Turner's, breakfast at Hornesville.)

6. Emigrant Train at 6 pm. (Sundays excepted) for Dunkirk.

*Trains to New York.*—1. Day Express Train leaves Dunkirk at 6 am. (Sundays excepted) arriving in N. York same evening. Passengers from Buffalo and Rochester take this train at Canandaigua.

2. Way train leaves Delaware at 5 am. (Sundays excepted) stopping at all stations.

3. Mail train leaves Corning at 6:43 am., stopping at all stations (Sundays excepted).

4. Mail train leaves Dunkirk at 10 am. (Sundays excepted). Passengers by this train can stay over night at Corning, Elmira, Owego or Binghamton, and proceed next morning by Express or Mail train to New York.

5. Accommodation train leaves Dunkirk at 1½ pm. (Saturdays and Sundays excepted).

6. Evening Express train leaves Dunkirk at 5 pm. and Canandaigua at 9½ pm., taking passengers from the Night Express train from Buffalo and Rochester.

**NO. 24**

Takes Effect Monday, November 24, 1851.

**Western Division.**

TRAINS MOVING EAST.				NAMES OF STATIONS AND Passing Places.	TRAINS MOVING WEST			
THIRD CLASS.		FIRST CLASS.			FIRST CLASS.		THIRD CLASS.	
WAY FREIGHT.	CATTLE FREIGHT.	ACCOM'D N. PASSENGER.	NIGHT EXP. PASSENGER.		NIGHT EXP. PASSENGER.	ACCOM'D N. PASSENGER.	EXPRESS FREIGHT.	WAY FREIGHT.
5.05 PM	12.40 PM	3.03 PM	10.15 PM	Ar. Hornellsville, Dep.	\$6.20 AM	1.30 PM	2.45 PM	2.00 AM
4.35 "	*12.23 "	2.51 "	*10.04 "	Dep. Almond, -	6.37 "	1.48 "	*1.10 "	2.45 "
4.05 "	*12.08 PM	2.38 "	*9.54 "	- Alfred, -	6.52 "	2.03 "	*1.30 "	3.20 "
2.50 "	11.38 AM	2.10 "	*9.35 "	- Andover, -	7.15 "	2.32 "	*2.10 "	4.15 "
2.19 "	*11.18 "	*2.00 "	*9.29 "	Shoemaker's Cner, -	*7.21 "	*2.42 "	*2.19 "	*4.30 "
1.41 "	10.58 "	1.41 "	9.14 "	- Genesee, -	7.38 "	3.04 "	*2.50 "	5.25 "
12.35 PM	*10.33 "	1.25 "	*9.02 "	- Seio, -	7.48 "	3.18 "	*3.02 "	5.50 "
11.55 AM	*10.14 "	1.10 "	*8.53 "	- Phillipsville, -	7.59 "	3.33 "	*3.16 "	6.20 "
11.20 "	*10.03 "	12.57 "	8.45 "	- Belvidere, -	8.09 "	3.48 "	*3.26 "	6.45 "
10.45 "	*9.43 "	12.42 "	*8.33 "	- Friendship, -	8.21 "	4.05 "	*3.50 "	7.15 "
9.35 "	8.42 "	12.10 PM	*8.11 "	- Cuba, -	8.42 "	4.35 "	*4.25 "	8.15 "
8.57 "	7.46 "	11.52 AM	*7.58 "	- Himsdale, -	8.57 "	4.53 "	*4.45 "	8.57 "
8.00 "	*7.10 "	\$11.28 "	\$7.42 "	- Olean, -	9.17 "	5.21 "	5.30 "	10.09 "
7.22 "	*6.27 "	10.57 "	*7.15 "	- Allegany, -	9.26 "	5.35 "	*5.45 "	10.57 "
*5.32 "	5.56 "	*10.27 "	*6.56 "	- Pungwant, -	*9.43 "	*5.56 "	*6.17 "	*11.40 "
6.10 "	5.12 "	10.16 "	6.48 "	- Great Valley, -	9.54 "	6.10 "	6.48 "	12.15 PM
5.05 "	*4.42 "	10.02 "	*6.36 "	- Bucktooth, -	10.02 "	*6.23 "	*7.03 "	*12.37 "
4.35 "	4.20 "	9.44 "	6.24 "	- Little Valley, -	10.18 "	6.47 "	*7.50 "	1.35 "
3.45 "	3.15 "	9.26 "	*6.02 "	- Cattaraugus, -	10.40 "	7.08 "	*8.20 "	2.30 "
*3.15 "	*2.38 "	*9.07 "	*5.44 "	- Turnout, -	*11.00 "	*7.26 "	*8.50 "	*3.00 "
2.55 "	*2.20 "	8.57 "	*5.34 "	Dayton, -	11.12 "	7.39 "	*9.05 "	3.35 "
*2.30 "	*2.00 "	*8.47 "	*5.25 "	Cooper's Corner, -	*11.19 "	*7.46 "	*9.18 "	*3.50 "
1.30 "	1.00 "	8.15 "	4.55 "	Forestville, -	11.42 "	8.15 "	*10.00 "	4.55 "
12.30 AM	12.01 AM	7.45 AM	4.30 AM	Dep. Dunkirk, Ar.	12.00 M	8.35 "	10.35 "	5.20 "

Trains do not stop at those Stations indicated by a \* unless necessary, in the cases referred to in Rule 14.  
 † Stop 5 minutes; ‡ Stop 10 minutes; § Stop 15 minutes; ¶ Stop 20 minutes.  
 The Express Freight Train leaves the Pier every day excepting Sundays at 2.25 AM.  
 Way Freight Trains will not run on Sundays, (excepting at the end of their Division, when accidentally delayed), but they will start on other days from each end of their Division, without regard to the fact, whether or not the Way Freight Train of the adjacent Division has previously arrived.  
 The Westward bound Way Freight and the Cattle Freight Trains should pass at Cuba.  
 The Canandaigua Express Passenger Train will run every day from Elmira to New-York; and from New-York to Elmira every day excepting Sundays.  
 The Night Express Passenger Train will run every day from Elmira to Dunkirk, and from Dunkirk to Elmira, every day excepting Sundays.  
 Accommodation Train will run from Elmira to Dunkirk every day excepting Sundays.

W. C. TAYLOR, Division Agent.

CHA'S MINOT, Sup't

EARLY OFFICIAL TIME-TABLE, IN FACSIMILE. ORIGINAL OWNED BY H. E. GILPIN, ESQ., SUPERINTENDENT ALLEGANY DIVISION, HORNELLSVILLE, N. Y.

(These Erie relics are very rare, and this one's value was greatly lessened by some former owner of it cutting off the official heading in order to make it fit a frame. This time-table is historically important as showing the early beginning of the running of trains on Sunday on the Erie, something which was strongly protested against.)

*Newburg Branch.*—Trains run daily, (Sundays excepted) as follows: Leaving Newburg at 6:05 and 9:45 am., and 5:15 pm. Leave Chester at 7:25 and 10:47 am., and 6:35 pm.

*Freight Trains.*—Leave from pier foot of Duane street, at 6 pm., for all stations on the road, and for Canandaigua, Rochester, Buffalo, and all Western states. CHAS. MINOT, Sup't.

The railroad from Canandaigua to Jefferson (Havana), at the head of Seneca Lake, had been completed, and was under lease to the Erie, making, with the Chemung Railroad from Elmira, a line of railroad by the use of which the Erie had as yet the only means of reaching Buffalo or Rochester. With the coming of the Canandaigua Railroad the steamboats on Seneca Lake to Geneva ceased to be a portion of the Erie's "through line." The Chemung Railroad and the Canan-

daigua line are now parts of the Northern Central Railroad, and belong to the Pennsylvania Railroad system.

As a matter of historical importance, the following time-table is incorporated with this chronicle of the regular Erie first schedules, as this railroad is now part of the Erie (the Buffalo Division).

## BUFFALO &amp; NEW YORK CITY RAIL-ROAD.

That portion of the Buffalo & New York City Rail-Road between Hornellsville and Portage, will be opened to the public on and after Thursday, 22d Jan., 1852.

Trains will run daily (except Sundays) for Passengers and freight, leaving Hornellsville at 7 A. M., or after the Arrival of the N. Y. & E. R. R. Night Express Train from New York, and returning leave Portage at 4 P. M., arriving at Hornellsville in time for the night Express Train for New York.

The standard Time for the Road will be Ten Minutes slower than the N. Y. & E. R. R. time, at the Hornellsville Station.

The rates of fare will be Three Cents per Passenger per Mile.

The rates of Freight to or from Stations on the N. Y. & E. R. R. east or west of Hornellsville, will be for three classes corresponding to the classification upon the New York and Erie Railroad, and as follows:

1st Class,	6 cents per Ton per Mile.
2d " 5 " " " " "	
3d " 4 " " " " "	

No charge will be made less than twenty-five cents, and no package will be estimated at less than fifty pounds.

#### STAGES

Will run in connection with the Trains from and to the following points:

Dansville, Mt. Morris, Geneseo, Avon, Rochester, Castile, Perry, Gainesville, Warsaw, Wyoming, Attica, Pike, Arcade, Yorkshire, Springville, Ellicottville, Franklinville, Farmersville, Rushford, Belfast, Cold Creek, Mixville, &c.

S. SEYMOUR,

*Engineer & Superintendent.*

HORNELLSVILLE, Jan. 14, 1852.

A terminus at Buffalo was a consummation that the Erie managers had long seen to be a necessity if they might compete successfully for Western traffic, for there was no longer any doubt that Dunkirk was a mistake. They built much hope on this railroad from Hornellsville to Attica as being the means by which they could get their cars into Buffalo. The beginning of operations on that road did not strengthen that hope, however, for passengers bound from New York to Buffalo and the West by the Erie and the Hornellsville and Attica route, according to the time-table of July 26, 1852, if they left New York by the Erie mail train at 8 A.M., "remain over night at Binghamton, Owego, Elmira or Corning, and reach Buffalo the next evening, in time for boats going up the Lake; or leaving New York by the 6 P.M. express, reach Buffalo at the same time, and have an opportunity to spend several hours at the Falls and High Bridge at Portage. Passengers from Buffalo leave at 8 A.M. and connect at Hornellsville either with the Erie mail train, which remains over night at either of the above places, and reach New York next evening, or with the night express, which reaches New York at 12.30 next day."

The Buffalo and New York City Railroad became a vital part of the Erie property years later, but only after much tribulation, disappointment and expense to the Company. ("The Building of It," pages 360-363.)

There was no increase in the number of through passenger trains on the Erie for many years after the opening of the road to Dunkirk. Until 1854 those trains were known as the Night Express, the Day Express, the Mail Train, and the Emigrant. There were express freights and stock expresses, and local trains had been put on the different divisions as the way traffic increased. In 1854 the through express trains began to be known as the New York Express, the Cincinnati Express, the Dunkirk Express, and when a regular division of trains began to be made at Hornellsville for the Buffalo connection, the Buffalo Express came into existence. This was in 1854. It was not until 1860, after the return of Charles Minot to the general superintendency, that Erie

trains began to be designated by numbers, which is their universal designation to-day, whether the train is No. 1 or No. 617. On the time-table adopted January 18, 1860, the west-bound through trains became No. 1 (Dunkirk Express), No. 3 (Night Express), No. 5 (Mail). The east-bound trains were No. 2 (New York Express), No. 4 (Night Express), No. 6 (Accommodation), No. 16 (Cincinnati Express). No. 15 was a Fast Freight. No. 8, now one of the fastest and most sumptuous express trains on the road, was a Stock Express. Nos. 2 and 4 connected at Chester for Newburgh. The other through trains scheduled for passengers were No. 13 (Express Freight), No. 17 (Way Freight), No. 18 (Fast Freight), and No. 20 (Way Freight). No. 3 ran only to Elmira on Saturdays, and No. 5 remained over night there. There was no emigrant train scheduled on this time-table. In the meantime there had been no material change in the trains or the running of them, except that the local traffic required the putting on of a way passenger train between New York and Port Jervis, and it was scheduled on the time-table adopted November 19, 1858, the train that became known as the Orange County Express, and is so known to this day. Until February 6, 1856, the night express from New York and the night express from Dunkirk were run on Sundays. On that date all Sunday trains were withdrawn from the road, except that the milk and freights ran as usual. Even the Cincinnati Express, which did not start on Sunday, but had been run to its destination on that day, was stopped at Corning Saturday night and held there until Monday morning, taking the place of the night express on Monday. "The effect of the halt of this through train at Corning," a newspaper account of the change said, "will be beneficial to that thriving town." No Sunday trains were run on the Erie for more than a year, and, in fact, were not entirely resumed until 1860, after the return of Charles Minot.

The first "pocket time-table" of the Erie was issued to the public June 11, 1866. It was for the Eastern (now New York) Division and branches only. It was printed on a card  $4\frac{1}{2} \times 3\frac{1}{2}$  inches in size, which folded in the middle, the east-bound schedule appearing on one side, and the west-bound on the other. There were eighteen trains scheduled west-bound, and seventeen east-bound, of which nine each way ran only to Paterson. One ran each way between Suffern and Jersey City, one each way between Middletown and Jersey City, and one (the milk train) to and from Otisville. Port Jervis had two local trains each way. This time-table scheduled three trains each way between Warwick and Newburgh, a connection for one of them being for Goshen. There was but one local Sunday train each way over the Division. Of the Paterson trains two ran on Sunday from New York. To New York, the train that left Port Jervis week days at 6.30 A.M. ran from Paterson on Sundays. The time-table bore the names of H. Riddle, General Superintendent, and W. R. Barr, General Passenger Agent.

The schedule of trains for the New York Division, in the pocket time-table for December, 1898, occupies four closely printed pages  $7\frac{1}{2} \times 4$  inches in size.

The increase of trains has been steady since the days of Gould and Fisk. There are now four through express trains from New York over the Erie, seven days in the week—Day Express (No. 1), Pacific Express (No. 3), Vestibuled Limited (No. 5; vestibuled in 1887), and Buffalo and Cleveland Express (No. 7). The Day Express does not run over the old Erie main line west of Hornellsville. There are five through express trains to New York, four of them seven days in the week—Day Express (No. 2), Vestibuled Limited (No. 8), New York Special (No. 10), Atlantic Express (No. 12), and Local Express (No. 14). The Day Express does not run over the old Erie main line west of Hornellsville, and none of the through trains runs to or starts from Dunkirk, the legal western terminus of Erie, and only one of them (No. 3) connects for Dunkirk from the East, and only one (No. 12) has a train connection from Dunkirk, the other passenger service on the old Erie main line to and from Dunkirk and Salamanca being one local train each way daily. On what the Erie designates as its through time-table of trains, Dunkirk is not mentioned, nor does the other legal terminus of the Erie, Piermont, find a place on any schedule of the Erie to-day.

There are on the New York Division and branches thirteen local passenger trains westward, and ten eastward, six days a week, and five special Sunday trains. These local trains are independent of the 140 or more trains between New York and Paterson, and between Paterson and other suburban places on the old Paterson and Hudson River and Paterson and Ramapo railroads. There are three local trains each way over the Delaware Division; five west and seven east on the Susquehanna Division; three west and four east on the Alleghany (formerly Western) Division; five each way six days a week, and one each way Sunday, on the old Erie main line between Piermont and Suffern; and four each way over the Newburgh Branch, six days a week, and one each way Sundays—making 100 passenger trains over the Erie line, that began through business in 1851 with three passenger trains, one live-stock train, one through freight, one way freight, and a local milk train each way daily except Sunday; while the Erie freight trains to-day are numbered by the score daily. On the Erie's acquired lines and branches there are nearly 300 passenger trains constantly passing to and fro, many of them every day in the week.

The original official Erie time-table for May, 1851, could easily have been printed on a single page of this history. The time-tables for the railroad and its branches to-day would fill fifty of these pages!

#### THE ORIGINAL STARTING PLACE.

Piermont, the original starting point of the Erie, was twenty-four miles from New York. The trip from New York up the Hudson River to the cars had its inconveniences, but it also had its pleasures in fine weather. On a bright summer morning, with a grateful, refreshing breeze, it was a de-

lightful sail. It was this trip on the river that was used for years by those opposed to the changing of the terminus to Jersey City as the argument in favor of maintaining the original arrangement. The river trip, it was urged, was so restful and healthful a diversion from the tedium of travel by rail, that its benefit to the travellers was greater than the saving of time by the New Jersey route would be; but the travellers and the Company failed to look at it in that way.

In the original days of Erie, as now, the view of Piermont from the river was very beautiful. The village made a pretty show, while the steep heights above were dotted with neat cottages amid gardens and cedar groves. To the left, the hillside sloped suddenly to a glen, up which lay the course of the railroad. The great pier, one mile long, and 300 feet wide at the river extremity, where there was a spacious basin and dock for the accommodation of the Company's boats, was covered with tracks. All the space occupied by the depots and the freight and car-houses—in fact, by all the shore terminal facilities—was made ground, the river having been filled in over an area of ninety acres; otherwise there would not have been room for a single track to run along the river shore. The shops were on the north side of the Company's grounds. They were large for those days, and for years were the main building and repair shops of the railroad. They employed more than 200 men in 1851, when the railroad was opened to Dunkirk. The round-house at Piermont had stalls for thirty locomotives in 1851. The repair shops were continued at Piermont until the summer of 1869, when the work was transferred to Jersey City, and the abandonment of Piermont by the Erie, so far as it could abandon the place, was complete. While it was the terminus of the Erie, Piermont was a place of much importance. The village was divided into two parts, on the north side of the railroad being the business section. The home of Eleazar Lord, Erie's first President, was there, and there he died. The great pier was a constant scene of bustle and activity, where scores of men were employed transferring, loading, and unloading freight from the cars to the boats. The pay-roll of the Company at Piermont amounted to many thousands of dollars a month. The pier is now abandoned except as a storage place for coal, with here and there a man at work upon it, and the passenger trains that are run to-day over that part of the original Erie, to and from that former liveliest railroad terminus in the country, are scheduled to depart from and arrive at Sparkill, a station a mile from Piermont, and unknown when the railroad first went through.

As the time when the railroad between Suffern and Piermont was the main line is now only a memory, and as locomotives and cars were an old thing in that section years before they were new fifty miles farther west, reminiscences of the pioneer Erie days along that stretch of road are interesting and important.

David P. Demarest kept the Red Tavern, at what is now Nanuet, and in 1839 began supplying the railroad with ties, and subsequently with fuel. Railroad laborers to the number

of thirty-five boarded at the tavern, and his young wife attended to all the work alone, having also two young children to care for. In 1849 he was appointed agent of the Company, and the station was named Clarkstown. With the coming of the railroad he constructed two water tanks to supply the locomotives with water. They were filled by hydraulic rams, driven by water power from the Naurashank Creek. These required his constant attention. He was station agent at Nanuet until his death in 1881. He was succeeded by his son, Joseph G. Demarest, the present agent (1898). The station is in part of the house built by D. P. Demarest in 1849. Tickets were not sold at Nanuet until 1852, and the station and date were written on them in ink by the agent. The station was known as Clarkstown until 1856, when it was changed to Nanuet, which is said to have been the name of an Indian chief who once lived in the vicinity.

Tallman's came into life through the building of the railroad, and was named for Tunis I. Tallman. It was known to the first Erie railroad men as the fifteen-mile turnout, it being fifteen miles from Piermont, and a long switch had been made to enable one train to "turn out" for another.

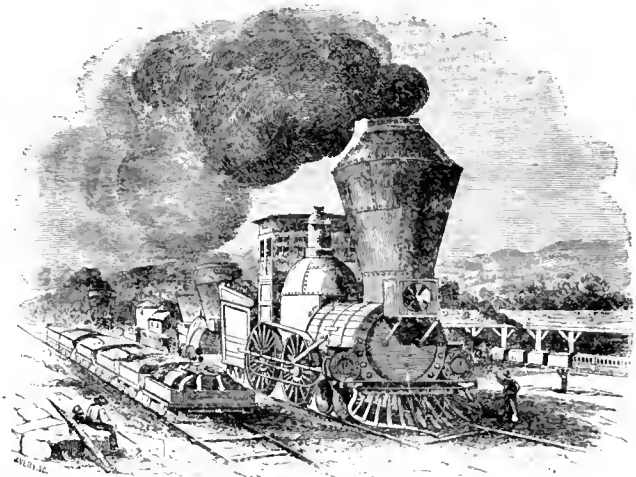
When the Erie was surveyed through this locality the present station of Monsey was a wet swamp and tangled morass. The Company drained it. Eleazar Lord, while President of the Company in 1840, purchased eight and a half acres of land there with the intention of making an important water station. A platform was built for passengers to stand on while waiting for trains, and the word Kakiat was cut on it by a contractor named Jessup, that word being the Indian name for the surrounding country. It was afterward named Monsey, in honor of an old Indian chief. In 1841, when the railroad was opened, Angus McLaughlin put up a shanty or shed where the present depot stands, for a refreshment saloon. It was patronized by railroad men and train men. Aaron Johnson bought the Lord tract in 1843, and became first station agent at Monsey. At the opening of the railroad a log pump was sunk by the Company in a brook just east of the Spring Valley station. A platform was built around it, on which two men stood and pumped water into the tank of the locomotives. Subsequently a well was dug at Monsey which was fitted with a pump so arranged that the engine of the train, by adjusting its driving wheels to wheels placed in the track, could pump its own water. This was succeeded by a tank which was filled by hand pumping from the well. This remained until 1855, when the tank building burned.

Where Spring Valley now is was only a crossing at a farm road when the railroad was built. The farmers thereabout, believing that Eleazar Lord had given undue preference to Monsey because he owned land there, protested that trains should be stopped at the crossing for their better convenience as shippers, and soon after the road was opened to Goshen they held a meeting and prepared a petition to that effect. The Company replied that if the farmers would build a depot, freight trains would be stopped there, but no promise would be made to stop passenger trains. The farmers built

a depot, which consisted of a board shanty on a platform 10 x 12 feet, which was promptly taken in possession by Henry Iseman, who started a store in it. The railroad named the station Pascac, but the name was subsequently changed, at the suggestion of Isaac Springsteel, a prominent farmer, to Spring Valley, and a board with that name on it was nailed to a cherry tree stump near the "depot." When trains began stopping there, soon afterward, Iseman was forced to move his store elsewhere.

#### WHEN THE LOCOMOTIVE CAME.

By authority of his office as constructing engineer, George E. Hoffman made the contracts for the first Erie locomotives and cars. He first got the estimate of Rogers, Ketchum & Grosvenor, of Paterson, N. J., for the building of three



ERIE LOCOMOTIVE, TYPE OF 1846; CAB AND PILOT ATTACHED IN 1849; SKETCH MADE AT SUSQUEHANNA IN 1852. ORIGINAL LOANED BY MINISINK VALLEY HISTORICAL SOCIETY.

eight-wheel locomotives, four of them driving-wheels. That firm bid \$9,000 for each locomotive, and would take none of the Company's stock to apply on the payment. Hoffman then went to Philadelphia and consulted the locomotive builders of that city. William Norris was willing to make the machines for \$8,000 apiece, and to take \$3,000 of the price of each engine in Erie stock—Erie stock then being quoted at a little better than nothing. Then the Paterson builders said they would furnish the engines for \$8,000, but the pay must be all in cash. Hoffman gave Norris the contract. This was May 12, 1840. The locomotives were delivered to the Company at Piermont the following December. They were shipped by way of the Raritan Canal and Hudson River. One was called the "Eleazar Lord," one the "Piermont," and one the "Rockland," and were numbered 1, 2, and 3 respectively. The contractors had been greatly delayed in putting down the superstructure for want of facilities for transporting the timber and rails from Piermont forward, and the engines were put at that work. No. 1 weighed 32,000

pounds, 22,000 pounds on the drivers; tender, 36,500; outside connection; 13-inch cylinder, 20-inch stroke. The No. 2 was four tons heavier than No. 1, but was similar otherwise. No. 3 was a 16-ton engine, and like Nos. 1 and 2 in other respects. In the spring of 1841 two more Norris engines came on the road, the "Orange" and the "Ramapo." There is no record of their cost, and as to the "Orange," or No. 4, there seems to be no official record at all. The "Orange" became famous in many ways on the eastern end of the railroad, from the opening in 1841 to 1846, and later on western sections of the road. Her first engineer



JOSEPH WIDROW MEGINNES ("JOE").

was Joe Meginnes, and her career has no parallel among the pioneer locomotives of the Erie or any other railroad. Here are some historic incidents in that career.

AS A NEWSPAPER SPECIAL.—In 1842 the regular mail route between New York and Albany was a stage-coach line through the counties of the east side of the Hudson. This was long before the day of the telegraph, and the newspapers of that time had to depend on the mails or special couriers in obtaining the news. Presidents' and governors' messages were then considered the most important items of news that a newspaper could give its readers, and in 1842 the *New York Sun* resolved to place before its readers the message of Governor Seward for that year in advance of any of its rival journals. The *New York Herald* resolved that the *Sun* should do no such thing, although the *Sun* had arranged with the New York and Erie Railroad Company to aid it in the undertaking. There was a stage line between Goshen and Albany, and it had hopes of becoming the popular one to and from the capital, in connection with the Erie. The *Sun* arranged to have a copy of the Governor's message delivered to it by means of the railroad and the Goshen-Albany route. The *Herald* believed a copy could be delivered in New York sooner by a courier over the regular stage line east of the

Hudson, and arranged to have one delivered over that route. The Railroad Company was intensely interested in the result of this race, for if it proved that the distance between New York and Albany could be made quicker by way of the railroad and the Goshen and Albany stage route, the fact would go far toward making that route the popular one, it was believed, largely to the benefit of the railroad. Hence the management made every arrangement to facilitate the delivery of the Governor's message.

Joe Meginnes, with his locomotive "Orange," was chosen to make the flying trip between Goshen and Piermont with the message when it should be delivered to him. The proprietor of the Albany and Goshen stage line had provided reliable post-riders for this occasion, and the best of horses at ten-mile relays, to carry them to Goshen with all speed. The Hudson River line had made similar arrangements for its route. When Governor Seward's message was delivered to the Legislature at its meeting in January, 1842, a copy of it was delivered to each of the post-riders, and away they sped. Joe Meginnes had his engine all ready to start from Goshen on the word. The "Orange" stood at the old Goshen depot, puffing and snorting, as if with impatience. No post-rider came. By and by there was danger of the engine's steam getting low, and Joe ran her up and down the track, while his fireman (Daniel Sutherland, of Owego, says he was the fireman) stoked her and kept her boiler full of water. An hour passed, then the sound of the horse's hoofs was heard on the hill, and a minute later the panting horse came dashing up to the station. The message was handed over to the custody of the engineer, and he pulled out immediately for Piermont. "He pulled out so suddenly," says David D. Osmun, of Chester, N. Y., who was present on the occasion, "that the locomotive actually rose from the rails, like a rearing horse, and then came down upon them again with a 'chug.'" Joe Meginnes always declared that he would have arrived at Piermont at least a quarter of an hour sooner than he did if Master Mechanic Brandt had not been on the engine with him. Brandt was afraid to ride as fast as Joe was inclined to run, and the engineer had to obey his superior officer.

A steamboat was waiting at Piermont, all ready to complete the trip, and it was quickly steaming down the river. The wide awake *Sun* editor had put aboard this boat a force of printers, with type and tools, who were set at work immediately putting the message in type. By the time the steamboat reached New York the message was ready to go to press as soon as the type could be carried to the *Sun* office and placed in the forms. The result of all this haste and enterprise was that when the rider reached New York, bearing the *Herald's* copy of the message, the *Sun* had been an hour on the street with its reproduction of the document. A great deal of money was won and lost on the result of this great race. But the result of the race did not have the effect of making the Albany and Goshen connections of the Erie the popular route between New York and Albany, and the stage line was soon abandoned.

Wilmot M. Vail, of Port Jervis, who, as a boy, was present

on the occasion, says that the engine that carried the message from Goshen was the "Ramapo," and that the "Orange" followed as a tender, the "Ramapo" being run by Engineer Newell. At Sloatsburg the "Ramapo" burned out a flue and was unable to proceed further. She was put on the Y at that place, and the message was transferred to the "Orange," and Joe Meginnes took it on to Piermont.

TRAVELLING WEST AHEAD OF THE RAILROAD.—Joe Meginnes ran the "Orange" until 1846, when the new locomotive "Sussex," or No. 6, was given him. Joshua P. Martin came from the Lancaster and Columbia Railroad in that year and took charge of the "Orange." He ran her between Piermont and Otisville; and when the railroad was opened to Port Jervis, ran to and from that place until the summer of 1848, when the "Orange" was ordered to Bing-



JOSHUA P. MARTIN, OF "THE ORANGE" AND "OLD 71."

hamton to help in the construction of the railroad east from that place. Martin was ordered to Binghamton also, to take charge of her there. He went by stage with his family and his fireman, John Meginnes, Joe's brother. The "Orange" was forwarded by Hudson River from Piermont to Albany, thence by Erie Canal to the junction with the Chenango Canal, and down that canal to Binghamton. The engine was five weeks on the way. After the railroad was finished between Binghamton and Port Jervis, Martin and the "Orange" helped build it on to Hornellsville, which place that pioneer locomotive was the first to enter. The "Orange" was sold to the Attica and Hornellsville Railroad Company in 1851, and it was the only engine belonging to that company for more than a year, doing all the work of construction between Hornellsville and Portage.

Joshua P. Martin, who had charge of the "Orange" during the construction period on the Susquehanna Division, had his

choice of divisions of the railroad to run on when the road was opened to Dunkirk. He chose the Delaware Division, and made his famous record with "Old 71." ("Administration of Benjamin Loder," pages 98-101.) He was appointed master mechanic of the Buffalo, Corning and New York Railroad (now Rochester Division of the Erie), and later returned to the Erie as master mechanic and engine despatcher between Dunkirk and Susquehanna. When he was running on the Delaware Division, nearly fifty years ago, Josh Martin was held up by the moon. The Delaware Division is very crooked. One night, as Josh was booming along, the moon was shining nearly at his back. A few minutes later he saw what he thought was the headlight of a locomotive on the track directly ahead of him. He shrieked for brakes and reversed his engine. The train came to a stop. Then he discovered that he had turned a sharp curve in the road and come face to face with the moon. Martin died at Jersey City, February 24, 1883. His son, William K., is an Erie engineer at Hornellsville.

In its issue of December 3, 1851, the *Hornellsville Tribune* announced that "the locomotive 'Orange' has been placed on the Hornellsville and Attica Railroad, preparatory to the opening of the road from this place to Portageville, and has been put in fine running condition by her engineer, W. J. Hackett."

The "Orange" drew the first train of passenger cars on that railroad, January 22, 1852. June 5, 1852, she was taken apart and ferried across the Genesee River at Portage, the bridge across the great chasm being unfinished, and was set up on the track on the opposite side of the river, June 7th, the track having been laid part of the way to Warsaw. Thus the "Orange" was the first locomotive to sound a whistle in that part of the Genesee Valley, and she hauled the iron to complete the track from Warsaw to Attica. More than ten years later, although in 1853 she was described as "worn out," she became the pioneer locomotive on the Buffalo, Bradford and Pittsburg Railroad, now the Bradford Division of the Erie. Since that time the historic old engine seems to have been lost track of, the impression among old railroad men being that she was taken to Susquehanna to be broken up and sent to the scrap heap.

The first Erie engineers and freight conductors had a life of much hardship in cold or stormy weather. There were no such things as cabooses, and the locomotives had no cabs. The conductors had to ride on the locomotives. There was no protection from snow, or ice, or wind, or rain. It was not uncommon to see the engineer covered with ice like a coat of mail. "Joe" Meginnes, who, according to his daughter, Mrs. Mary B. Freeman, of New London, Conn., was one of five engineers who were the first to run on the Erie, was the first engineer to have a cabbed Erie engine. Joe Meginnes, whose full name was Joseph Widrow Meginnes, came to be known in after years as the "Dandy Engineer." He had more the appearance of a man of letters than that

of a locomotive engineer. He was dainty in his dress, even on his engine, and never appeared anywhere with oil or the grime of his engine on his hands or face. He was a most competent man, and his instincts were so fine that when, on a trip over the New Jersey Railroad, he saw for the first time a locomotive with a cab, he became so dissatisfied with his engine that he made a demand on the Company for a cab to it. Time passing, and no cab having been provided for Joe's engine, he called on General Superintendent H. C. Seymour and informed him that unless the cab was furnished forthwith he would leave the road. The locomotive was fitted with a cab without delay, and that was the beginning of cabbed engines on the New York and Erie Railroad. This was in 1848. Engineer Meginnes always had his choice of locomotives from new ones that came on the road. He quit the locomotive service in 1857 to take charge of the railroad dining saloons at Port Jervis and Narrowsburg. He died at Port Jervis in 1859, aged 42. He came to the Erie from the Philadelphia and Reading Railroad.

In 1846 the Company added locomotives No. 6 and No. 7 to the road. They were named the "Sussex" and the "Sullivan." It was the idea of the Company to name its locomotives after the counties through which the railroad ran and those contiguous to it. Engines 6 and 7 were 20-ton machines, Rogers make, with 5-foot drivers, and they were called the "giant engines" by the amazed people along the line. Next year, however, the Company put on two Baldwin locomotives, Nos. 8 and 9, and called the "New York" and the "Monroe," which were a greater curiosity. They had six 3-foot 9-inch drivers, and tall, straight smokestacks. After that, as the railroad progressed westward, new locomotives became frequent on the road, and of patterns that would excite much wonder in the railroad engineer of this generation. They were named for the counties until the list of counties was exhausted, when the names of towns and railroad officials were bestowed. But the locomotives early came to be known by their numbers only, and every division of the road had its favorite engine and engineers, whose memory and the memory of whose exploits will be forever green—John Brandt, Jr., Joe Meginnes, James McAlpin, Isaac Lewis, Joshua P. Martin, Onderdonk Merritt, Ben Hafner, W. C. Arnold, Garry Iseman, James McCann, William Schrier, James Davis, Charles Rooney, Henry Hawks, Henry Green, Sam Walker, William Thomas, Sam Wood, D. E. Carey, John Donohue, Horatio G. Brooks, W. D. Hall, Reub Hamlet, Sam Veasey, Captain York, Luther Pitcher, James Salmon, "Old Tripp," Ed Kent, A. N. Judd, Dan Kenyon, Mel Rose, Tom Tenant, William Ingram, Sylvan Merritt, Sam Tyler, Lou Springstein, Nathaniel Taft, Gad and William Lyman, Ellis Bart, "Old Drake," John Meginnes, Charles Mygatt, John Kinsella, Ben Gardiner, Dan Shaver, Tim Murphy, Charley Coffey, Amos Beatty, Dave Henderson, Jimmy Frantz, and the hosts of other brave and good men who mounted the footboard when the Erie was still young (some of whom are still on duty), and when the locomotive was part of the man

and the man part of the locomotive, seemingly with one soul, one heart, one body.

The first master mechanic on the New York and Erie Railroad was John Brandt. He was a German, and came from the Georgia Railroad. He had been the superintendent of motive power on the Philadelphia and Columbia Railroad in 1836, a Pennsylvania State road, and the original portion of the present great Pennsylvania Railroad system. From 1838 to 1840 Brandt was superintendent of motive power on the Georgia Railroad, which he left to enter the service of the Erie in 1840. He was one of the pioneer locomotive engineers of this country. He brought with him to the Erie, or was the means of their coming, the first engineers that ran



BENJAMIN HAFNER ("THE FLYING DUTCHMAN").

on the Erie. Fred Hamel was one of the earliest of the Erie engineers.

Of the engineers who came on the Erie while there was still no railroad beyond Port Jervis, only one is alive to-day, and he is still in the service of the Company—Benjamin Hafner, known the country over among railroad men as the "Flying Dutchman." He came on the Erie in 1848, having been nine years on the Baltimore and Ohio. His first locomotive on the Erie was the "Susquehanna," a Rogers engine. There were then less than 200 men on the pay-roll of the Company, and a majority of them were freight handlers at Piermont. Ben Hafner left the Erie in 1854, and ran on the Illinois Central Railroad, but returned to the Erie in 1858. He has been buried under his locomotive five times so that it took hours to dig him out, and he never got a scratch. Once, at Ramsey's, the train running at fifty miles an hour, he collided with a coal car. The train was behind

time, and he had already made up forty minutes between Port Jervis and that place—a run of about fifty-five miles. His engine turned upside down, and some of the cars were wrecked. Mrs. James Gordon Bennett was a passenger on the train. A brakeman was badly hurt. Mrs. Bennett took up a collection for him among the passengers, contributing liberally herself.

In 1869, while Jay Gould was President of the Erie, he ordered a locomotive made at the Brooks Locomotive Works at Dunkirk, which he named the George G. Barnard, after the famous Judge of that name. It was the handsomest locomotive ever made up to that time. It was decorated by paintings in oil, on every spot where one could be placed, by the late Jasper F. Crapsey, the artist. There were fourteen coats of varnish on the boiler. Gould selected Ben Hafner to be the engineer of the locomotive. The first trip Jay Gould ever took behind this locomotive with Ben at the throttle he was in a special car, bound for Susquehanna, 104 miles from Port Jervis. Gould told Hafner to go pretty fast. He went so fast that before they had gone many miles over the crooked Delaware Division Gould sent his colored porter ahead to tell Ben to go slower, much to the disgust of Ben. Ben Hafner got the name of the "Flying Dutchman" in this way: One day in the summer of 1871 No. 8 was late when he took that train at Port Jervis. He had orders to make the run to Jersey City in as short a time as he could. The distance was eighty-nine miles. Hafner made the run in just two hours, including seven stops, one of which was fourteen minutes at Turner's for supper. The passengers were badly frightened at the speed of the train. When the train reached Jersey, one of the passengers passed Ben as he was leaning out of his cab, and yelled at him:

"Say, I'd rather sail in the 'Flying Dutchman' than ride after you!"

From that day to this Ben Hafner has been the "Flying Dutchman" to all railroad men. In 1893 Hafner retired as an engineer after more than half a century on a locomotive, and since then has been depot master at Port Jervis. He is hale and hearty at seventy-six.

When the railroad was opened to Dunkirk in 1851, there were locomotives on the line of the makes of Norris, Rogers, Baldwin, Swinburne, the Boston Locomotive Works, Taunton Locomotive Works, the Amoskeag Co., and Ross Winans. There were two of these latter, Nos. 88 and 89, intended for freight, and were remarkable in having eight 3-foot 7-inch drivers. A historic Erie locomotive of the period previous to the opening to Dunkirk was the No. 90, named "The Dunkirk." It was one of the Hinkley, or Boston, locomotives. They were mostly hook-motion, with independent cut-off. This locomotive was brought from Boston in the fall of 1850, by Horatio G. Brooks. It was transported on a vessel to New York, and from there sent up the Hudson River to Albany, thence to Buffalo on a boat on the Erie Canal, and from Buffalo to Dunkirk on the schooner "Commodore Chauncey." The engine was landed at the Erie dock and

depot at the foot of what is now Washington Avenue, Dunkirk, November 7, 1850. It was used in the construction of the road from Dunkirk east, and after the road was open was run by Brooks on a regular passenger train on the Western Division. Brooks was the first engineer on that division. He became superintendent of it, and afterward master mechanic of the entire line. He suggested, while holding that office, many of the improvements that began to be made during the administration of R. H. Berdell. In 1868, when the Erie abandoned its shops at Dunkirk, he founded the Brooks Locomotive Works, and was president of that company at the time of his death, April 21, 1887.

Among the pioneer engineers who came to the Erie in 1851 was William D. Hall, who began his railroad life as fireman on the Boston and Maine Railroad in 1843, when he was twenty



WILLIAM D. HALL, OF "HINKLEY, 99."

years old, having served two years in the machine shop of the Boston and Providence Railroad. In less than a year he was promoted to be an engineer. He came to the Erie in February, 1851, and ran a train between Hornellsville and Cuba. May 5, 1851, he took the special car containing the officers and Directors of the Company from Hornellsville to Dunkirk, this being the first car through from Piermont to Dunkirk. He was engineer over the Western Division of the second section of the great excursion train that celebrated the opening of the railroad, May 15, 1851, his engine being a Hinkley, No. 99. He ran that engine on a regular passenger train between Hornellsville and Dunkirk until 1856, when he quit the Erie service, two weeks before the big strike. He has been running an engine on the New York Central twenty-two years, and is still in the service, at seventy-six years old, at Buffalo. He ran the first link-motion locomotive ever built,

and has run engines built by every locomotive builder in the United States.

Another of the engineers who came from the Boston and Maine Railroad was Charles H. Sherman, where he had run two years as engineer. He was one of the engineers who came on the road at the solicitation of Superintendent Charles Minot, while the Western Division was being finished. Sherman was the engineer of the locomotive that hauled the first section of the great excursion train from Hornellsville to Dunkirk on the opening of the railroad, May 15, 1851. In 1852 he became engine dispatcher at Dunkirk, and remained as such seventeen years. He was afterward travelling foreman and road inspector, and later, and until his death in 1897, foreman of the engine house at Dunkirk.



CHARLES H. SHERMAN

There are two engineers who came on the Erie from the Boston and Maine Railroad in 1851, still in active service on the Western Division, where they have been running nearly fifty years. They are David E. Carey and Samuel Veazey, of Hornellsville. Both are long past three-score years and ten, with clean records, and apparently as well equipped for service as they were when they began. W. A. Kimball, who ran the first train between Hornellsville and Cuba, is still living at that place, but he retired from railroad service years ago.

Among the curious locomotives that came on the road in 1851 (July) were two from the Boston Locomotive Works, two single-driver engines, designed for speed—Nos. 87 and 112. They were totally different in action. The former was a mass of machinery; hook-motion, and independent variable cut-off. The latter was a full crank, direct-acting, without rocker arm; a link-motion. With a train suitable to their

capacity, they were very quick, not costly to maintain, and easy on the track. The engineers took great pride in these machines, which were put in use upon the Susquehanna Division. Luther Pitcher had charge of No. 112, and John Donohue of No. 87. In the light of the present it was folly to purchase such motive power, not to mention the purchase of the two engines nicknamed "Plank Roads," with seven-foot drivers, and cylinders 15 x 20, outside-connected, and fire-box not much larger than an ordinary cooking range. The cylinders were placed aft of the smoke arch and steam pipe, out of doors, between the dome and steam-chest. There was a running board from the back end of the foot-board entirely around to the other side. They were built by Norris, and came on the road in the winter of 1851. They were Nos. 84 and 85. With two or three coaches, on the Susquehanna Division, after getting under headway, the engineers would make good time with these; but it took a mile start to get them under way. They were a failure, of course. No engineer wanted to run them, and the last one in train service (No. 84), on its very last trip, was ripped to pieces by Mike Barnwell, its engineer, who, it was said, stopped his train just after passing Gulf Summit, west bound, took a wrench and loosened up set-screws and pins, and whistled off brakes, whereupon the whole of her machinery was cleaned off. The boiler and one pair of drivers are in use at the Susquehanna shops as stationary power—or were in such use a few years ago. May 17, 1853, the Cincinnati Express, drawn by No. 84, made the run from Susquehanna to Hornellsville, 145 miles, in 161 minutes, which beat the record up to that time. The No. 85 was used as a switching engine in the Port Jervis yard for several years, but went to the scrap heap in the '60s.

From 1851 on, the Essex Company, Danforth, Cook & Co., the New Jersey Locomotive and Machine Co., Seth Wilmarth (who made twenty thirty-five-ton engines for the Company in 1854, Nos. 167 to 187), and the Taunton Locomotive Works, added their styles to the lot; while later came the Grant, Brooks, and other makes to jumble the equipment, so that in 1870 there were eighty-five different patterns.

Running on freight trains between Suffern and Jersey City, at the time the Erie began to run between those points, in 1851, were two of the original type of locomotives, named the "Whistler" and "McNeal." They were hook-motion, single driver, and worked steam at full stroke, no "cut-off." The steam-chests and slide-valves were perpendicular between the cylinders. There was an extension on the forward end of the valve yoke, which came through the steam-chest and ran into a guide. The bell was on the back end of the boiler, inside the cab, and was without a "clapper," being operated by strokes of a soft hammer in the hands of the engineer. The fuel used was wood, and was cut in about eight-inch lengths. The heating surface, or fire-box, was very small, so that if the engineer had to drop down a grade and rise another, he would stop at the top of the hill, put in a good fire, spread his slide-valves so as to allow steam to pass through the cylinders and create artificial draught to ignite

the fuel, and when sufficient steam was generated, open his "butterfly" throttle-valve, rush down the one hill and probably just raise the other, accomplishing wonderful results for that day. The freight cars were four-wheeled and barn-door style, with a bar across them.

The story of how Rogers engine, "No. 100," failed to make a record for herself and her engineer, Gad Lyman, on the historical 14th and 15th of May, 1851, when the Erie was opened to Dunkirk, is told on preceding pages ("Administration of Benjamin Loder," pages 98 to 100). Gad Lyman was so much disappointed and chagrined over the failure of his favorite on that occasion that he soon afterward quit the Erie's service. The "100" was taken in charge by Gad Lyman's brother William, who ran her on the Eastern Division until April 13, 1852, when, while she was making her stop at Chester, the crown sheet blew out with frightful results. The locomotive was thrown completely over backward and rolled down an embankment. The fireman, Robert Irving, was in the tank at the time and was blown more than fifty feet away. He was instantly killed. Engineer Lyman was buried in the wreck. His leg was cut off by the latch of the door of the fire-box. He lived but a short time. The headlight of the locomotive was picked up more than an eighth of a mile distant. This explosion was one of the first of the kind in this country. The Rogers Locomotive Works called in all their engines of that make and strengthened their crown sheets.

In March, 1858, an experiment was made on the Erie with Cumberland (soft) coal as a substitute for wood as fuel for locomotives. Although it was reported that the experiment showed a saving of forty-eight per cent. in cost of fuel, no movement was made toward adopting the substitute until December, 1861, when Hinkley engine "99," Taunton engine "117," and Rogers "64" were rebuilt to burn coal, and this was the beginning of coal-burning locomotives on the Erie for regular service. It was not until 1872, however, that coal entirely replaced wood on the road, and if an engineer of the present generation of Erie trainmen should by any circumstance happen to see one of the old wood-burners, even of the most modern type, he would wonder at it; and what would be the speech of one of the dead and gone Erie engineers who passed their days on the cabless, pilotless machines that first came on the Erie, if he might come back and see the marvellous and monster Erie engines of to-day?

For several years of its later-day operations the Erie has had in use a type of remarkably large engines. The class S engines weigh 200,550 pounds each. They are used for hauling freight trains on the Susquehanna Division. At the time of the World's Fair this was the largest style of engine built.

In 1899 the Company placed on the road what are claimed to be the fastest locomotives in any service. They are of the

compound passenger Wootten Atlantic type. They are used for hauling the fast mail and express trains, and for the passenger service over two or more divisions between New York and Chicago, and were designed by A. E. Mitchell, superintendent of motive power of the Erie. The railroad men claim that the trains have made over eighty-two miles an hour, with six vestibuled cars. The trains have made an average of better than sixty miles an hour. These engines were built by the Baldwin Locomotive Works, of Philadelphia.

The engines are not as heavy as the former modern engines, and are much neater in appearance. The cab is about half way back on the boiler, making it near the centre of the engine. The fireman remains behind on the tender, and can at all times see the engineer at his post in the cab. The total weight of these engines is 151,240 pounds. They have 76-inch drivers. The weight on the drivers is 81,320, and on the trailing wheels 30,710 pounds. The cylinders are 13 x 26 inches in diameter and 26-inch stroke.

#### THE ORIGINAL CARS.

According to an official statement made in 1841, George E. Hoffman ordered the first Erie cars. Pond, Higgins & Co., of Utica, wanted \$2,500 each for passenger cars, and \$1,500 each for freight cars, and would take 20 per cent. of the amount in stock. Davenport & Bridges, of Cambridgeport, Mass., were willing to make the passenger cars for \$2,000 each, and the freight cars for \$900 each, and take 25 per cent. in stock. Hoffman closed a contract with them for four passenger cars, and with Bush & Lobdell for six freight cars. The passenger cars were eight-wheel cars, with bodies 36 x 11 feet, six feet high in the clear inside, with a capacity of thirty persons each, and they were to be made in the best and most substantial manner. The freight cars were eight-wheel cars, the wheels weighing 500 pounds each, chilled, and equal to those used in Norris locomotives. The axles weighed 300 pounds each, and were swelled axles of hammered iron. The cars weighed ten tons each, fitted with axles and everything complete.

The first rolling stock received by the Company was six freight cars, on September 5, 1840, before any rail had been laid on the road. They were built by Bush & Lobdell, at a cost of \$900 each. The builders took \$1,400 of the total cost of the cars in stock. These cars were twenty-five feet long, ten feet wide, and six feet high, with four wheels. On September 17, 1840, Rogers, Ketchum & Grosvenor, of Paterson, contracted for eight similar cars at the same price, taking \$1,800 in stock, and on September 25, 1840, contracted to build six more, and four passenger cars, two at \$2,000 each, and two "for ladies," at \$2,050 each. The passenger cars were to be thirty-two feet long, eleven feet wide, and six feet four inches high. On the same date Davenport & Bridges contracted to furnish two platform cars "thirty-one feet long, same width and height of the passenger cars, that carry the 'baggage crates,' at a cost of \$750 each, and ten 'baggage crates' at \$75 each. This order for rolling-stock

cost \$15,750, of which \$3,900 was paid in stock. This, with the three locomotives, made an agreed expenditure for rolling-stock, before a rail was laid, of \$52,350."

The Erie baggage car was flat. "Baggage crates" were closed trucks on wheels into which the baggage was placed, and then rolled on the flat cars.

#### SLEEPING CARS ON THE ERIE FIFTY-SIX YEARS AGO.

George M. Pullman nor Webster Wagner is any more entitled to the right of being called the inventor of the sleeping car than the man in the moon is entitled to be called the inventor of the sewing machine. As to Pullman (being of Erie interest), his chief claim to the monopoly in the sleeping-car patent was founded on his control as assignee of patents issued to Eli Wheeler, of Elmira, September 20, 1859, which patents Rudolph Dirks, of Sumneystown, Pa., claims were his; but even the Wheeler patents were antedated by the Charles McGraw patents more than twenty years—December 10, 1838, being the first one. Sleeping cars were in use years before Pullman or Wagner was ever heard of, and among the very earliest of railroads to have them was the Erie, which had two in 1843, although the railroad was only three hours' journey in length. These cars were two of six cars of extraordinary size, built by John Stephenson, one of the pioneer car builders of the country. The models of the cars were made by Thomas Brown, of the Stephenson works, then in Harlem. They were not intended as sleeping cars, as the term is now known, but to be used by passengers if they chose, for reclining and sleeping during their journey. Railroads were not long enough in those days to require much night travel. But these cars, according to the positive statement of John Stephenson himself, were built with the idea that they were to be slept in, and for that purpose.

These pioneer sleeping cars were known by the name of "the Diamond Cars," from the fact that the sides of the frame of the cars were built trestle form, thus making the spaces for the windows diamond-shaped, so that the windows were necessarily of that shape. The frames of the seats were stationary, two seats being placed back to back, causing each pair of seats to face each other. The cushions were loose from the frames of the seats, and a rod or bar could be slid from under one seat, across the opening between two facing seats at the front or aisle-side, and fitted in a hole in the frame of the other seat. The aisle ends of the seat cushions were laid upon this bar, the other ends resting upon the truss plank at the wall side of the car, the cushions being pushed forward over the foot space, and supported as above. The back cushions were moved down to take the place of the seat cushions, thus making a platform or bed. The bar had a little lip on it, so that when in the hole in the other seat it could not get out without being raised, and the ends of the seat cushions abutted against the forward ends of the arms so they could not slip out into the aisle. There was a partition against which the back cushions rested, forming

head and footboards between the beds. When the cushions were in place they made two facing seats. The passengers occupying the seats manipulated the bar and changed the seats into a bed at pleasure. There were two of these cars. Six seats or beds were on each side. There were no bed clothes or pillows. The cushions were black hair cloth. There was a large diamond-shaped window opposite each seat, and one in the middle between each pair of seat backs, and a small window in each door. The cars were eleven feet wide.

Archippus Parish was car-builder foreman of the car shops at Piermont in 1843, when the two diamond cars came to the road from Stephenson's car works at Harlem. They were delivered at Piermont from a ferry-boat. Parish had them taken off the boat and superintended the putting of the trucks under them. The cars were named "Erie" and "Ontario." The "Ontario" for a time was run on a train known as the "Thunder and Lightning Milk Train," which ran between Otisville and Piermont. Parish afterward went on the road as conductor, and ran between Piermont and Otisville from 1846 to 1847.

These curious forerunners of the luxurious sleeping cars of the present day were soon found to be too heavy for practical use on the railroad at that day, and they were placed aside, to be used only in emergencies.

A necessary adjunct of the railroad for years was a wood train, which passed over the line gathering up wood as it was brought in from the woods and ranked up at convenient places, and delivering it at points where it was needed for fuel. The men in charge of the wood train made application to have one of the diamond cars, but Superintendent of Transportation S. S. Post said he could not spare either of them, as the Company was short of rolling stock, and he frequently had to put them on passenger trains to help out. The end of the diamond cars was that they became boarding-house cars for track laborers. In 1850 the "Erie" was on a siding at Piermont, and the "Ontario" at Suffern, and gradually fell to pieces and disappeared years ago. They were sleeping cars, however, and when, in 1879, the Pullman Company brought suit against the Wagner, or New York Central, Sleeping Car Company, to recover damages for infringement on the Pullman patents, Pullman was so nonplussed at the revelations made in regard to the Erie diamond cars of 1843 that a halt was called in the proceedings, and both Pullman and Wagner wisely concluded that it would not be well to go any further in the legal test of their "rights," and agreed to a compromise, by which they both continued to share in the profits of an invention which was old long before either of the claimants had thought of making it his own.

About the time of the coming of the diamond cars on the railroad, the first cars with swinging-back seats were put on. They were made by Eaton & Gilbert, of Troy, N. Y.

*(From the Goshen Independent Republican, June 19, 1847.)*

The New York and Erie Railroad Company have been treating their patrons and themselves to some new and elegant cars. The old

ones are pretty good, but the new ones are perfect "dazzle eyes." The seats are mahogany, trimmed with figured crimson velvet. The stiles of the body inside are also of mahogany and the panels curled maple. The windows are protected by blinds, and the cars are lighted and ventilated in the most perfect manner. Altogether, they are fine specimens of utility, taste and elegance.

About the time the Erie began running its trains through to Jersey City, a man with some genius originated a chair seat for passenger coaches. The prevailing seat was the plain kind, with low back; a comfortable seat, but unless a person could have a full seat in which to recline, a night journey was anything but pleasurable. The chair referred to was reversible, and much higher in the back, and provided with a head-rest very similar to those in use upon barbers' chairs. These chairs were most highly appreciated. Persons intending to take the night train would go or send to Jersey City early, buy a ticket, and secure a night chair, thus enjoying the greatest luxury in travelling then known. Prior to the introduction of this chair, "fakirs" haunted the station with a device to aid the passengers to enjoy sleep. It was an upright piece of steel that would reach from the middle of the back of the head to a point below the shoulder blades. Crossing this horizontally were four other pieces of steel. When put in use, the appliance was placed between the back of the person and the back of the seat, with the passenger's head resting on the top cross-piece and the point where it was riveted to the upright piece. Thus the head rested upon a spring, and responded to the jar or motion of the car. These contrivances sold "on sight" at \$1 each.

In 1851, after the Erie had arranged with the Paterson and Ramapo and the Paterson and Hudson River railroads for transfer of its passengers, mail, express, and baggage between Suffern and Jersey City, D. H. Conklin was sent to Suffern as telegraph operator, and to put the instruments in the waiting room of the other railroads. The situation was too much exposed, and Superintendent Minot gave him permission to take the body of an old baggage car that stood on a siding at Chester Junction. This was ordered to Suffern, and was placed at the side of the Erie track as an office. This car had a cupola in its centre, and a colonnade or gangway entirely around it. At the time this old car had been placed in service the railroad probably had no time-card, or if it had, the train arriving first at a given point waited a stipulated time and then proceeded, running by "sight," with a man seated in the cupola, whose duty it was to watch for the train against which they were running. The brake wheel of the car was in the cupola. It is only within very recent years that a caboose with cupola and brake wheel therein was introduced on railroads, and claimed as a new idea.

#### COMING OF THE FIRST CONDUCTOR.

Eben E. Worden was the first Erie conductor. He was a slight, delicate young man, and was noted for his polite manners. He had been a member of the firm of Thomas &

Worden, who had a contract for a section of the first grading of the railroad in 1840, the cut through Piermont Hill being a part of their work. The Railroad Company being in financial straits, the firm lost money. According to the reminiscences of W. H. Stewart, it was understood that one John S. Williamson, who had influential friends in the Company, was to be made conductor as soon as the road was opened. Williamson lived at New York. In consequence of Worden having been unfortunate in his dealings with the Company, Superintendent H. C. Seymour appointed him to be the conductor on the opening of the railroad to Goshen. He came from Cayuga County. He had been a contractor on the Erie Canal, and had a large claim against the State, which was disallowed. He then took the contract on the Erie, in 1840. He remained with the Erie two years as conductor, when broken health compelled him to resign. He died of consumption in the fall of 1844, and was buried at Sennott, Cayuga County. He married a Miss Smith, of Goshen, but left no family. (The author made diligent effort to obtain a portrait and biographical data of this first Erie conductor for reproduction here, but was unable to obtain either, much to his regret.)

The appointment of Worden as conductor created a great deal of feeling among the friends of Williamson, and they not being disposed to let the matter pass without an effort to secure him the conductorship, in spite of the fact that Worden had it, Williamson was offered the place of Receiver of Freight on the New York dock, as a compromise. He accepted the offer, but with the understanding that when the Company employed another conductor he should be the man. Capt. A. H. Shultz, or Capt. "Aleck" Shultz, as he was more generally known, had command of the steamboat that ran between Piermont and New York, in connection with the railroad. A man named Evans was ticket clerk on the boat. This man evidently had influence with Captain Shultz, and Captain Shultz must have been influential at railroad headquarters, judging from what happened. Evans had a relative by marriage named Henry Ayres, who was working for the Harlem Railroad Company. The Erie had to have a freight conductor, and Evans put in a word for Ayres to Captain Shultz, and Captain Shultz talked it up at the Erie offices, and Ayres was chosen as conductor to take charge of the freight train on the road between Goshen and Piermont, thus becoming the second conductor on the Erie. This appointment caused another disturbance, and the friends of Williamson tried to have Ayres' appointment reconsidered, but without success.

This Conductor Ayres became part of the history of the Erie, for he was more than thirty years the dean of the fraternity of Erie conductors, and, as "Poppy," Ayres, was known the country over for years after he ceased to be a railroad man. Henry Ayres was a native of Boston. In 1820 he was in the United States Army, and was under General Eustis when that officer took possession of St. Augustine, Fla., July 4th of that year. In the spring of 1837 he began work as a conductor on the Harlem Railroad, running from

New York to Morrisania, and in September, 1841, commenced running on the Erie. He continued as conductor until May, 1869, when he left the road, and became proprietor of the Central House at Owego, to which place he had removed in 1848. He was subsequently for a time United States Mail Agent on the Erie Railway, and was afterward in the service of the Company at Elmira. When he left the road he was retired on half pay, which continued until his death.

Captain Ayres, whose title of Captain was given to him by his friends many years ago, was one of the most genial of men, and his fund of good humor was inexhaustible. He was known affectionately everywhere as "Poppy" Ayres. He was a very large man, weighing about 300 pounds. He had to squeeze his way through the car doors sidewise. In winter he wore a fur-trimmed overcoat and coon-skin cap. He died at Owego, October 5, 1880, aged eighty years, leaving a wife, and a son and daughter by a former marriage.

The history of the Erie is rich in reminiscences of Captain Ayres, of which these are samples:

**AN UMBRELLA THAT CAME BY TELEGRAPH.**—In the summer of 1849, a worthy old lady living at Lordville, in the Delaware Valley, resolved to make a trip to New York, where she had relatives, and see the great sights of Gotham. She had been out of sight of her native place but once in all her life, and that was when she went one time "down the river" on a raft with her husband. For her New York trip she had boxes and bundles a-many. Among these belongings was an ancient umbrella, a family relic. It is presumed that she enjoyed her visit, but she had much tribulation on her return trip. In coming up the Hudson River on the steamboat, she became so nervous from fear that the cars would leave Piermont without her that she forgot all about her much-prized umbrella, and left it on the boat. She did not miss it until the train had reached Cohecton, which was well on toward her own stopping-place. "Poppy" Ayres was the conductor. In passing through the cars after the train left Cohecton, he saw the old lady swaying back and forth in her seat, wringing her hands and making a great ado.

"What's the matter, mother?" the kindly conductor immediately asked her. "Are you sick?"

"No. Not sick!" sobbed the old lady. "But I've left my umbrrell' (sob) aboard the steamboat! That umbrrell' (sob) has been in our family fer more'n forty year (sob), and now it's gone! Oh, oh, oh! That's worse than (sob) bein' sick! Boo-o-o-o, woo-o-o-o!"

"Oh, mother, mother!" said Poppy, consolingly, patting the old lady on the back. "Don't cry! We'll get your umbrella for you. We'll send for it on the telegraph. It'll be here in a minute or two."

The old lady cheered up instantly. She dried her tears, but could not disguise the surprise the conductor's assurance gave her. Ayres reached up, took hold of the bell-rope—then only a recent adjunct, and one that "Poppy" had himself introduced, as is told elsewhere. He wriggled the rope,

assuming a theatrical and mysterious manner, and passed on, leaving the old lady gazing at the rope in open-eyed wonderment. The telegraph had not, as yet, been put in operation, but a line was in course of construction through that country, and the talk of the people was of that as much as it was of the railroad, which had itself only just come among them. Conductor Ayres knew that if the old lady had left her umbrella on the steamboat he would find it in the baggage-car, for it was the rule for the stewards of the boat to go through the saloons after passengers had left them at Piermont, and if any articles had been left there by absent-minded travellers they were taken on board the train and placed in the baggage-car, that they might be restored to their owners. So Poppy Ayres went into the baggage-car, found the umbrella, and,



CAPT. HENRY AYRES ("POPPY"), AT 75.

taking it under his arm, started back through the train. When he came to the car where the old lady was, he took it to her and exclaimed, as if in great triumph:

"There, mother! I told you we could get your umbrella by telegraph! And here it is!"

The owner of the umbrella was speechless with joy for a time over the recovery of the prized relic. She looked at it, and then gazed at the smiling conductor. At last she exclaimed:

"For the land sakes alive! Who'd ever 'a' thunk it? I've heern o' letters and papers bein' sent by telegraph, but who'd 'a' thunk they could send umbrrell's?"

And in the exuberance of her joy she rose quickly to her feet, threw her arms around Poppy Ayres's neck, and hugged and kissed him repeatedly before he could release himself, much to the delight and amusement of the other occupants of the car.

HE SUED "POPPY" AYRES.—One day, in the summer of 1856, a fussy old gentleman, named John Beebe, bought a ticket at Newburgh for Addison, Steuben County, N. Y. When the train he was on reached Deposit, which was far less than half the way on his journey, Mr. Beebe was tired, and he got off the train and remained over night at that place. Next morning he resumed his journey on the emigrant train. This train was not pleasing to Beebe, but he stuck to it until it got as far as Great Bend, Pa. At that station he deserted the emigrant train and waited for the day express. The day express was a "swell" train at that day, and its conductor was "Poppy" Ayres. He passed through his train after leaving Great Bend, and came to traveller Beebe, who handed up his ticket. The conductor glanced at it and handed it back to the passenger.

"Ticket ain't good!" said "Poppy" Ayres.

"Isn't good?" exclaimed Mr. Beebe, flaring up. "I'd like to know why it isn't good."

"Been punched once for this division," replied Poppy.

"I don't care if it's been punched for this division, or that division, or the other division," retorted the excited passenger. "I paid for it, and I'm going to ride on it."

"You'll have to pay your fare on this train," said the conductor, quietly.

"I'll bet you I won't!" declared Mr. Beebe, with much emphasis. "You'll take this ticket or nothing."

"Poppy" Ayres would not take the ticket, and Mr. Beebe would not pay his fare, so the train was stopped and the stubborn passenger was put off. That did not cool him down a particle, however. He brought suit in Broome County, not against the Company, but against Conductor Ayres, to recover damages for being put off the train. Judge Balcom, who was afterward called to act in far more serious but much less creditable Erie litigation, heard the case, and directed a verdict for the plaintiff. The jury gave him a judgment for \$250 against "Poppy" Ayres. As the conductor had simply carried out the orders of his superiors in ejecting Beebe from the train, it is to be presumed that the Company made good the judgment against him. He never would say whether such was the fact or not. At any rate, the case was not appealed. It may be that this was because the Company had then pending an appeal in the case of Ransom against the New York and Erie Railroad Company, the lower courts having awarded the plaintiff, who had been injured by a train at Chemung, a judgment of \$15,000. If the Company was awaiting the result of that case before trying its chances in any other appeals it acted wisely, for a few weeks after the Ayres verdict the Ransom judgment was affirmed. Ransom had been hurt July 4, 1853. Interest and costs increased the original amount to \$20,000.

#### INVENTION OF THE BELL-ROPE.

Captain Ayres was the inventor of the present bell-rope system on railroads. The history of the first use of the bell-rope, as related by himself, is as follows: When he com-

menced running on the Erie the locomotive had no cab for the engineer. There was no way to go over the cars, nor for the engineer to communicate with the conductor when the train was in motion. In those days, instead of the conductor running the train, as at present, the engineer had entire charge, and the conductor was a mere collector of fares and tickets. Previous to about this time railroads had been used chiefly for transporting freight, and there was no occasion for communication between the engineer and the conductor. Captain Ayres' engineer was a man named Hamel, a German, and the original Erie engineer. In the spring of 1842, Captain Ayres rigged a strong cord to run from his car to the engine. At the end of the cord at the locomotive he tied a stick of wood. The cord extended thence up over the framework and back over the train. He told the engineer that when he wanted to signal him he would pull the cord, which would jerk the stick up and down. Hamel did not like this interference with his powers as master of the train, and as soon as the cars started he cut the cord and threw away the stick. This was repeated. Finally, one day, as they were about to start from Piermont, Captain Ayres, as he attached a stick to the cord, told Hamel that if the wood was missing from the cord when they reached Turner's they would fight, and thus decide who was to run the train. At Turner's the stick was missing. Captain Ayres removed his coat, and informed Hamel that he was about to make good his words. Instead of coming down to meet him, the engineer climbed to the other side of his locomotive. Captain Ayres followed and seized him, whereupon Hamel showed the white feather, and said if he was not whipped he would not remove the stick again. He was thereupon released. This settled the question of running the train, and from that day to the present the conductor, instead of the engineer, has had entire charge of running the train. The gong was afterward substituted for the stick of wood, and the bell-rope went into general use on the few railroads that had then been constructed. There are other versions as to the manner and time of Captain Ayres' introduction of the bell-rope, but this one is his own, and therefore authentic.

William H. Stewart, one of the pioneer conductors of the Erie, ran the first through train between Piermont and Dunkirk, and the first train ever run on telegraphic orders (which was in the fall of 1851), and was employed on the Hudson River boat that carried the first freight to New York that was ever run over the Erie after the road was opened to Goshen, September 23, 1841. Stewart was the fourth conductor to be employed, being preceded by Eben E. Worden, Henry Ayres, and Henry Watson.

Mr. Stewart was in time promoted to first-class conductor, and followed the road as it advanced to all its various termini between Piermont and Dunkirk. He was conductor until 1854, with the exception of a few months in 1848, when he was station agent at Port Jervis, his health having failed. He took the late Captain Lytle's place as station agent here, and Lytle took his place as conductor. In 1854 he resigned

as conductor to take the contract for delivering the train baggage from Jersey City to the Company's depot at the foot of Duane Street, New York, the Company then having no ferry of its own. He also had the contract for delivering the mails at Cortlandt Street. He was obliged to give the contracts up to a friend of the Assistant President of the Company in 1858. Mr. Stewart then retired from railroad life. He died at Waverly, N. Y., December 18, 1897, aged eighty-six.

**HIRING A CONDUCTOR.**—In the early days of railroading on the Erie, practical joking was a favorite pastime with many of the well-known employees. None, perhaps, enjoyed a wider reputation in that line than W. H. Stewart, better known as "Hank." While he was agent at Port Jervis, one



W. H. STEWART ("HANK"), AT 83.

day a tall, lean, lantern-jawed, spindle-shanked native of the "Wilds of Sullivan" went to that place to get a job on the railroad. He called on Stewart at the ticket office.

"Kin I git a job runnin' on this here railroad?" asked the unsophisticated applicant.

"Why, yes. I think it's more than likely," replied Stewart, sizing up the calibre of his man at a glance. "We're killing off two or three men every day, and are running short of hands. You can have a chance. What kind of a job would you prefer?"

"Oh, conductor!" said the Sullivan County man. "That's the job that I'm lookin' fer!"

"All right," said Stewart. "There will be a train due here in an hour or so, and if it hasn't any conductor aboard, I can give you a job right away."

The applicant's delighted smile was so open that he almost showed his palate.

"But," continued Stewart, with great gravity, "you'll need a little practice before you take the job. We want a man who can walk as erect as a trained soldier, and has a voice that he can shout out the stations with, so it will be heard all through the train."

"Them's easy!" exclaimed the grinning backwoodsman.

"Just come out on the platform, and we'll see," said Stewart. "I'll give you a few lessons before the train arrives."

The mischievous agent took his pupil out on the platform, and gave him an illustration of the manner in which an Erie conductor should bear himself while on duty. The aspiring mountaineer copied the example, and with his thumbs in the armholes of his vest, walking as straight as a cock pigeon in a thunder shower, and calling out the names of the stations on the Eastern Division, in a voice that could have been heard fifty rods off, he strutted up and down the platform an hour or more, Stewart praising him extravagantly, and telling him what a fine conductor he would make. The exhibition soon brought half the village to the station, and a more amused crowd of appreciative folk never gathered there before or since.

The unsuspecting Sullivan County citizen strutted prouder and prouder, and shouted louder and louder, under the lavish words of praise from his instructor, who through it all was as serious as a preacher at a funeral. At last the expected train came steaming in. The conductor stepped off.

"Port Jervis! Fifteen minutes for refreshments!" he shouted.

"Pshaw!" exclaimed Stewart, snapping his fingers, and turning to his pupil, who stood ready to take his job. "They've got a conductor on this train! Ain't that too bad?"

Then the crowd, which had suppressed its merriment up to this time, broke loose in one great shout of laughter.

The backwoods candidate for a conductorship on the Erie seemed then to get the joke through his head. He made tracks for home, satisfied, perhaps, that log-chopping was better than railroading, after all.—(Related to the author by Henry Dutcher, of Warwick, N. Y.)

**GIVING HIM A JOB AS A BRAKEMAN.**—At another time, while Stewart was running as conductor, Assistant Superintendent S. S. Post was being bothered by a man who wanted to be a brakeman. Post had become tired of the fellow's importunities. One day, as he was boring the Superintendent for a job, Stewart came in. Post, giving him a wink, said:

"This man wants a job as brakeman. Can you do anything for him?"

"Yes," said Stewart, "I want a head-brakeman."

So when Stewart went out with his train that night, he put his man on the front of the baggage car, next to the engine. It was a foggy, drizzly night in the winter, and the position the man occupied on the train gave him the benefit of all the storm, and the ashes and cinders from the engine, so that

when he got to Elmira it was difficult to tell whether he was a runaway slave or a Hottentot just landed. He slipped from the train at that place, and was seen no more.

"He didn't even come back after his pay!" Stewart said.

#### FIRST CONDUCTOR KILLED ON THE ERIE.

The freight train ran off the track just as it was passing on to the high trestle over the Hackensack River, five miles from Piermont, Saturday afternoon, April 6, 1843. The locomotive and two freight cars were precipitated through the trestle work about fifteen feet to the ground, instantly killing Henry W. Watson, the conductor, who was on the locomotive. The engineer and fireman escaped without a scratch, but were found unconscious, each at his post. One of the cars that fell through was loaded with pig iron and calves. Nineteen of the calves were crushed to death by the iron. There were fourteen passengers on the train when it arrived at the turn-out, some distance west of the trestle, and lay there for the evening passenger train to overtake and pass it. When the passenger train came along the passengers were transferred to it from the freight train, and many of them were thus undoubtedly saved from death.

Conductor Watson was one of the civil engineers who made the final location for the Eastern Division of the railroad and had been retained in the Company's employ, "such was his probity and correct business habits, a compliment which our citizens will bear us witness too many of his associates did not deserve," pointedly remarked a Goshen newspaper in its account of the accident. He was the first Erie conductor (or employee) to be killed on the railroad.

James Lytle came on the Erie as conductor in April, 1843, succeeding Henry W. Watson. He was from Washington County, N. Y. David P. DeWitt, a nephew of Superintendent Seymour, was running Conductor Worden's passenger train at that time, Worden being ill with consumption. DeWitt was a civil engineer. When Worden died DeWitt was called to the field and Lytle was placed in charge of the train. Lytle ran the train until the opening of the railroad to Port Jervis in January, 1848, when he was made agent at that place, W. H. Stewart taking the passenger train. In April, 1848, Stewart became ill, and Lytle took the train again, Stewart becoming agent at Port Jervis. When the railroad was opened to Binghamton in 1849 Lytle, Sol Bowles, and Captain Ayres ran trains through. It was a hard, cold winter; the snow was deep, and the fuel was green wood, hard to burn. Lytle asked Superintendent Seymour to give him his old train back. Seymour told him to "run that train or nothing." Lytle quit the road, and was in business in Middletown until his death in 1884.

Conductors following these pioneers (not in chronological order) were Albert Stone, Isaac Wood, Hank Masterson (who was the first baggage-master), Charley Green, Phineas Thompson, David DeWitt, Tom Houston, Jerome Dennis, Tom Hill, H. C. Chapin, John Sayr, David Doremus, Sam

Crouch, John Buckhout, Charles Salmon, Solomon Bowles, Henry Smith, Ryerson H. Stewart, Charles Robinson, Ned Chamberlain, William C. Clark, Ellis Haring, Ed Haring, Dave Killinger (who afterwards kept the railroad dining saloon at Hornellsville), Ruel H. Chamberlain, Harvey Lamb, Al Larwill, Scott Harris, Lew Stanley, Frank Spring, C. C. Quick ("Lum"), Sam Walley, Jim Westervelt, R. R. Carr, "Hi" Hurty, Mark Ball, Jim Martin, Coe Little, Abe Wandell, Pat Jeffries, Dave McWilliams, W. C. Van Wormer, Joe Northrup, A. D. Thompson ("Tone"), George Wooley, I. A. Post, Gabe Writer, A. S. Cobb, Maj. Lee, Dana Crum, and many others of the old school, few of whom are living. David Doremus has been constantly in the service since 1857, and is the dean of the fraternity of Erie conductors, being the longest in actual service. He runs trains Nos. 5 and 8 between Jersey City and Binghamton. Harvey Lamb runs the milk train on the Delaware Division. Ellis Haring is in the service of the Belt Railroad of Chicago. Henry Smith is running a livery stable at Wellsboro, Pa. "Charley" Salmon has retired, and is living at his ease. Scott Harris is a prosperous boot and shoe dealer at Owego. Uncle Joe Northrup, who ran the milk train on the Eastern Division more than thirty years, is enjoying life, at 80, in retirement at Otisville, hale and hearty. W. C. Van Wormer is Erie yard-master at Port Jervis. Few of others of the old-time conductors survive.

#### NOTES OF PIONEER RAILROADING.

*(From Reminiscences of W. H. Stewart.)*

There were no ticket agents at first east of Chester, and the conductor was provided with tickets for each station on the road, a square tin box to carry them in, and a bag containing ten dollars in small coin or bills. This was carried in the box and was the conductor's capital for the day. It was to make change with when passengers offered money for their tickets larger than the amount charged. The tin box and its contents were delivered at one end of the run to the general ticket agent at Piermont, who was Henry Fitch. The account was balanced with the conductor, and the box returned to him with ten dollars in the bag again for the return trip. All tickets for New York were collected on the boats.

The Erie freight dock at New York was originally at the foot of Albany Street, but the increase in business was so steady that new and better quarters were soon obtained at the foot of Duane Street. Joseph Hoxie, better known as "Singing Joe" and "Fighting Joe" Hoxie, was freight agent on the dock. There was at first no shelter of any kind there for freight, and consequently butter, cheese, grain, leather, etc., were all dumped in a pile together on the dock, to be sat upon, spat upon, and otherwise befouled by stevedores and longshoremen until consignees could manage to dig their goods out of the mass and take them away. But Joe Hoxie kept them in good humor by his never-failing repertory of songs and his endless jolly stories.

There was at first no system of doing business at all. No one in authority seemed to have any idea of railroading. Samuel S. Brown was general freight agent at New York. W. H. Stewart was running on a freight boat between Cornwall and New York prior to the opening of the railroad between Goshen and Piermont. Daniel Tobias was the captain of the boat. The opening of the railroad destroyed his business, as it did that of many other freighters from Newburgh, and he hired his boat to the railroad company to carry its freight from Piermont to the New York dock, and Stewart and the other hands remained at work on it. When winter set in and shipments fell off, there was no money to pay the employees. Freight Agent Brown discharged Stewart and the other men on the boat, but they went to New York, and Joe Hoxie hired them over again. After a while the Company issued scrip, with which it paid its men and for supplies. A bushel basket of it at the time was not worth, intrinsically, the price of a month's board, but there were men who bought it on speculation at twenty-five cents on the dollar. A large buyer of the scrip was Augustus S. Whiton, the first superintendent of the Eastern Division. He took all he could get, and the result proved that he had judged wisely. The time came when the scrip was redeemed at its face value by the Company, and Whiton made a snug little fortune.

It was the custom for some years after the railroad was opened to have boys pass through the cars with cans of water and tin dippers to satisfy the thirst of passengers. These were called "water boys," and a water boy on the railroad was the envy of all juveniles along the line. Like the whale-oil lamps and tallow candles that threw their dim light through the cars at night, the water boys are long-forgotten adjuncts of railroad travel.

William Skelly, better known as Billy Skelly, was the first newsboy on the railroad. He was a *protégé* of Captain Alec Shultz, a bright boy ten or twelve years old. He was very active and very popular with the patrons of the road. If a train was delayed, he always passed through the cars informing the passengers what the trouble was, how long it was likely to last, etc. He was the pioneer of the railroad news business, and as he grew up increased his facilities until he had a monopoly of the business between New York and Port Jervis, supplying such dealers as there were then at his own prices. Skelly made a snug fortune in the business, and his enterprise led to the establishing of the Union News Company, the present great railroad news agency of this country. The pioneer railroad newsdealer was not as successful in keeping money as he was in making it, and he died penniless. As early as 1843 Asa Faulkner, a brakeman, sold newspapers on Erie trains.

Riding on a railroad was a new thing, and it was a long time before people learned that by paying fare from Piermont to Monsey, say, they would have no difficulty in riding all the way to Goshen without the conductor discovering the

fact that they had paid fare only a small part of the distance. A well-to-do and prominent farmer, who lived not far from Goshen, once sought to evade conductor W. H. Stewart on the train by going into the closet when the conductor came through. Mr. Stewart discovered the trick. The station where the man was to get off was Goshen. Before the train arrived at that place the conductor stationed a brakeman at the closet door with instructions to hold it fast and not let the man out. The instructions were obeyed, and the economical farmer was carried on to Middletown. Then Stewart collected fare from him and let him out. He was obliged to remain all night at Middletown, and pay his fare back to Goshen next day, so that his attempt to "beat" the railroad company cost him dear.

The afternoon trains from Middletown, which began running in 1843, carried the milk shipments. No provision was made for Sunday nights, and soon the order came from Superintendent Seymour that the freight conductors must run the milk trains Sunday nights. These were Stewart and Lytle, and they made the run on alternating Sunday nights. All went smoothly until the latter part of the summer, when one night Stewart's train ran over a pony that was on the track at the Ramapo crossing. The night was dark, and the engineer did not see the pony until he was upon it. The highway crossed the track diagonally, and was planked. The engine was the "Rockland," and the engineer W. C. Arnold. The locomotive left the rails and ran fifty yards along the wagon road. In those days the train crews carried their own wrecking tools, consisting of a jack, block and tackle, etc.; but if a train was four hours late they would make up their minds at the Piermont headquarters that something more was wrong with it than the train men could handle, and a wrecking crew would be sent out to look it up and give it a lift. This night, however, no wrecking crew came from Piermont to help this train out of its difficulty, but at daybreak next morning, when Stewart and his gang, by hard work all night, had succeeded in getting the engine back on the track, the wrecking crew came in sight.

About two weeks after this mishap, the same train, with the same crew, struck a horse and wagon that the driver was attempting to drive across the track ahead of the locomotive, at Ward's pond, near Ward's station, one mile north of Sloatsburg. The result was the throwing of the engine, two milk cars, and the passenger car off the track into the pond. The water was very deep, and the locomotive was submerged all except the smokestack. One milk car was out of sight, under water, and the forward end of the other was deep in the pond. The passenger car was at the edge of the pond.

There being no possibility of the train crew extricating the engine and cars from the pond, Conductor Stewart walked on to Sloatsburg, one mile, where he hired Sloat's son to drive him to Monsey, a station twelve miles further east. There he got a handcar and the "road gang," and started for Piermont. There was no frog at switches in these days, and the change was made by a moving bar. The switch east of

Blauveltville was open, and as the hand-car came speedily along, it was thrown from the track. Conductor Stewart was hurled with such force against the bar on the hand-car that two of his ribs were broken, and he was tumbled down the embankment several feet. They got the car back on the track, however, and went on to Piermont, where they got the wrecking crew and returned with it to the scene of the most extraordinary wreck that had ever occurred on any railroad. They arrived there between eight and nine o'clock in the morning. A man named Thomas had a trip-hammer mill nearby, which got its power from Ward's pond. The mill had been idle for a long time, and Superintendent Seymour, who had come with the wrecking train, requested Thomas to draw the water off the pond, so the men might get at the sunken locomotive and cars, and get them out and back on the track. Thomas started up his mill, and said he would not draw the water off unless the railroad Company paid him \$600 for doing it. After a long parley a compromise price for his granting the company's request was agreed upon. The water was drawn off the dam, and the train was got back on the rails about dark, or nearly twenty-four hours after the accident occurred. No one was injured by the smash-up, singularly enough, but two carloads of Orange County milk never got any further toward their destination than Ward's pond.

The Railroad Company had always been exceedingly accommodating to Thomas, stopping at Ward's to take him on and let him off, and taking on and leaving freight for him there. After this experience with him, though, he got no more favors from the Company. He was obliged to go to Sloatsburg, a mile east of Ward's, to get aboard trains, and to ship all his freight from, and receive it at, that station. So he lost a great deal more than he made out of his act of selfishness.

The first general superintendent, Hezekiah C. Seymour, came from Oneida County, and got the name on the road of the "Oneida Chief." In 1849 a successor to Superintendent Seymour was to be appointed, as he intended to quit the service. S. S. Post was superintendent of transportation. He was in the line of promotion to the general superintendency, and as he was very popular with the employees, they were delighted with the prospect of having him as their superintendent. James P. Kirkwood was also mentioned in connection with the place. W. H. Stewart ran what was called the night line, and, in expectation of hearing the news somewhere along the line that Post had been elected superintendent, he had a big transparency, inscribed "S. S. Post, General Superintendent," all ready to light and display on his train. The news came, however, that Kirkwood was the choice of the Directors, and there was great disappointment among the "boys." This was in April, 1849. It is highly probable, though, that S. S. Post's long connection with the Railroad Company, and his popularity, would have secured him the place, if he had not shown an inclination to answer, in a non-committal way, queries put to him by the

Directors, and a disposition to respond to them by asking questions himself. Superintendent Kirkwood became known among the railroad men as the "Silent Man," from a peculiarity of his disposition. His office was at 56 Wall Street, New York. Audience with him was easily obtained, and as the caller entered, the superintendent would look up at him a moment. If the caller did not at once go on to mention the business that had brought him there, Kirkwood would turn his eyes back to his work without a word. Then the visitor might stand or sit there all the rest of the day without the Superintendent paying any more attention to him, or



H. C. SEYMOUR.

until the visitor broke the silence himself by speaking and making known his errand.

For a long time after the railroad was built, all switching at the ends of divisions and elsewhere was done with horses.

John Bailey was the first station agent at Goshen. He was the father-in-law of A. C. Morton, who was the civil engineer of the road for Orange County. The depot at Goshen was built over the track, or rather the track ran into the depot. When the train came in, the business of the railroad was over for that day. The train and locomotive were locked in the depot, and the agent kept the key until it was time to begin business on the road again next morning, when he would unlock the depot and let the trainmen go in and "fire up." The bell that hung above the platform was rung fifteen minutes before the train was to start.

Capt. A. H. Shultz, the pioneer Erie steamboat Captain, was born at Rhinebeck. Before there were railroads in Central and Western New York, he ran stages between Rochester and Buffalo. Later he ran a steamboat between Amboy, N. J., and New York. He began in the Erie service January

1, 1841, having been harbor master under Governor Seward, before the railroad was in operation, and continued until 1844. He was Alderman from the Fifth Ward of New York. He was afterward in the Government service for many years. He died at Philadelphia, April 30, 1867.

The winter of 1843 was one of the hardest on record. Capt. Shultz made his two trips on the Hudson River daily between New York and Piermont, although the ice was twelve inches thick, missing but one trip. April 28, 1843, in recognition of this, the people of Piermont presented him with a solid silver snuffbox, lined with gold.

#### THE FIRST FREIGHT SHIPMENT.

The first shipment of freight on the New York and Erie Railroad to New York, although it was not billed and brought no revenue to the Company, was made May 24, 1841. The track had been put down as far as Spring Valley, east of Suffern. Jeremiah S. Pierson had an order for twenty-four tons of spring steel, to be delivered in New York, from his works at Ramapo. He sent the steel by teams to Spring Valley, where it was loaded on the construction cars, which carried it to Piermont as they made their trips to and fro, whence it was sent to New York by boats on the Hudson River. Mr. Pierson was a liberal subscriber to, and largely interested in, the Company. He remunerated the men who handled his iron between Spring Valley and Piermont, who, therefore, were the first to profit by traffic on the Erie.

#### ORIGIN OF THE TRANSPORTATION OF MILK BY RAIL.

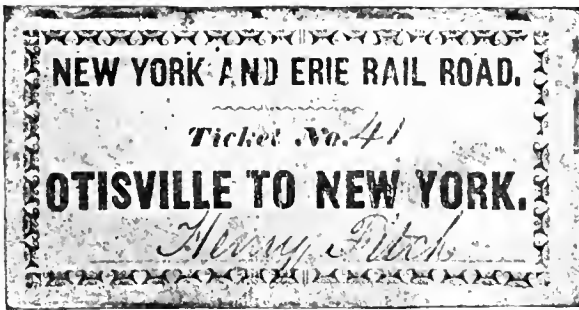
Thomas Selleck, of New York, had the contract for driving the piles across the big swamp at Chester, N. Y., for carrying the track of the Erie over that then unstable stretch of the route, in 1840-41. When the railroad was opened to Goshen in September, 1841, Selleck was appointed agent of the Erie at Chester, thus becoming one of the two original station agents, the other being John A. Bailey, at Goshen. The excellence of Orange County's milk early attracted Selleck's attention. He was a practical man, and suggested to the farmers that they send their milk to the New York market as soon as the railroad was completed. At that time the main milk supply of New York came from the cows kept by the brewery and distillery stables. In those days, also, it was no uncommon thing for truckmen in the city to keep a cow or two in their stables, which they fed on brewery and distillery refuse. They had their own customers for the milk thus produced. Farmers from Long Island and Westchester County supplied some families with milk from their dairies, but the great supply of the city was from the swill milk stables. The Orange County farmers treated Selleck's idea with ridicule. That milk could be shipped more than fifty miles, especially in hot weather, and subjected to the jolting and jarring of a railroad train, and still be fit for use when it at last arrived at its destination, was regarded as preposterous. At any rate,

whether the milk-shipping business was feasible or not, the Orange County farmers had built up a highly profitable trade in a certain product of their dairies, and had made a national reputation for it and themselves, and they were satisfied with that. This product was butter. The first butter made for the New York market, as a matter of systematic and regular supply, was manufactured in that portion of Orange County and in the bordering portions of Sussex County, N. J. As Goshen was the centre of that region, the product, in time, came to have the name of Goshen butter.

The great business in Goshen butter was built up without the aid of railroads. In fact, with the coming of the railroad came the beginning of the end of Goshen butter as a factor in the trade of the country. There were no commission dealers in New York, either, for many years, and the farmers were compelled to place their butter on the market themselves and be their own salesmen. It was transported from the farms in great covered wagons to Newburgh, where it was put on barges and towed down the Hudson. Some farmers carted their butter all the way to New York. All those in the region lying about Chester, Middletown, Goshen, Unionville, Westtown, Ridgebury, and other villages in Orange County, and about Beemerville, Deckertown, Newton, and Clove Valley, in Sussex County, had an agreement or combination by which they marketed their product on the same day, which was the second Tuesday of November in each year. The long trains of big market wagons, laden with the golden product of the dairies, passed in almost endless procession over the roads of Orange and Sussex counties annually on that day, all bound for Newburgh and the river. That day was known as "the day of the big trip." The price of butter to the farmer averaged from 12½ to 15 cents a pound. It was packed down in firkins during the winter and summer, and none was marketed until fall.

When the Erie was opened between Piermont and Goshen, communication with the New York market became a matter of only a few hours instead of the best part of two days. For months the butter trade was the mainstay of the railroad. It may be set down as an important historical fact in the life of the Erie that it was the butter of Orange and Sussex counties that made it possible to keep the road in operation during the first few months of its existence.

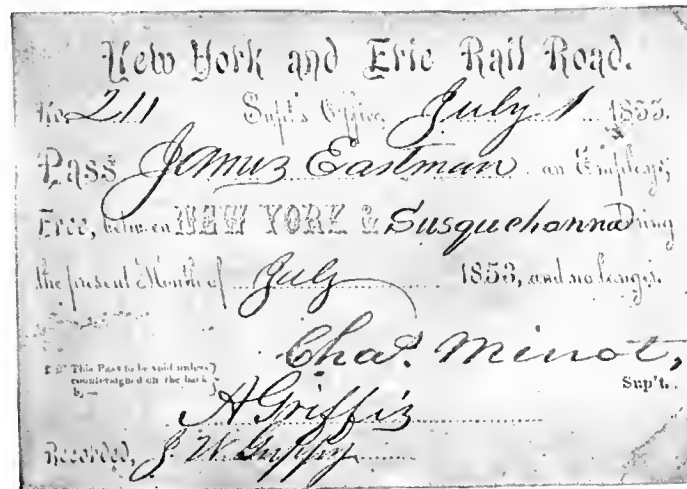
Wedded thus as they were to butter making, the Orange County farmers were not ready to see any reason for the faith of Thomas Selleck in the idea that there would be an increased profit for them in abandoning that branch of the dairy business for the simple selling of their milk, and those in control of the railroad were equally indifferent and incredulous. The railroad had been in operation more than half a year before the first shipment of milk was made to the city. In fact, the trade in butter increased greatly during these months, owing to the quicker and more economical means of transportation the railroad afforded. Selleck at last interested some of the leading farmers of Chester and Oxford in his scheme, among them Philo Gregory, James Durland, Jonas King, and John M. Bull. He was willing to



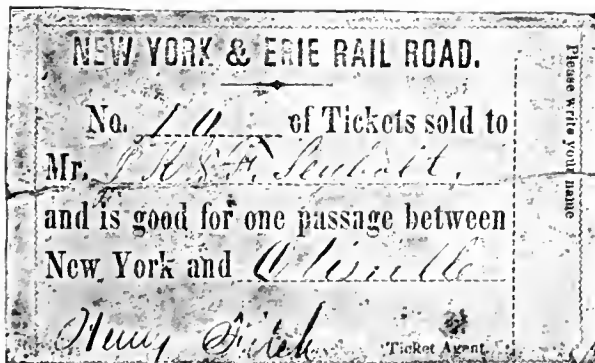
A FITCH TICKET—1846.



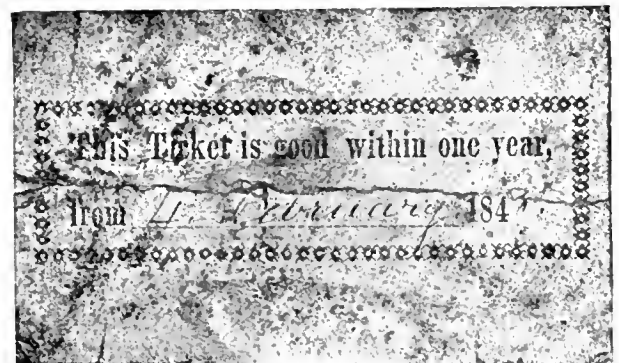
A GREENOUGH TICKET.



WOOD AGENT'S PASS.



(Obverse.)



(Reverse.)

MERCHANT'S SPECIAL PASSAGE TICKET—1848.

FACSIMILE REPRODUCTIONS OF RARE OLD ERIE TICKETS. FROM THE COLLECTION OF JOEL C. NORTHRUP, OTISVILLE, N. Y.  
(SHOWING IMPERFECTIONS OF USE.)

open a depot in New York for the introduction of the milk, if he could be assured of shipments to meet the demand which he was positive would soon arise for it. Philo Gregory agreed to make an experimental shipment of milk in the spring of 1842. Selleck fitted up a room in the city at 193 Reade Street. Gregory thereupon made the first consignment of milk ever shipped on a railroad, and the first that ever entered New York City from a dairy to be offered for sale in public market. The milk was shipped in the blue pyramid churns of that day. There were 240 quarts in all, the equivalent of six of the standard cans of to-day. The freight was charged by weight, at twenty cents a hundred. Gregory got two cents a quart for the milk delivered on the cars. This first shipment of Orange County milk arrived at Selleck's depot in good condition, the weather being cool. Selleck had notified many New York families of his intention to have for sale fresh milk from the dairies of Orange County, and the contents of Gregory's churns were not sufficient to supply the first demand. The next shipment was larger, and then other Chester farmers, and the farmers about Oxford, seeing that there was more money in simply shipping their milk at two cents a quart than making it into butter at fifteen cents a pound, began sending their milk to Selleck, and the milk business of the country was born—a business that has alone built five railroads in Orange County, feeders and branches of the Erie, at a cost of \$4,000,000, and returned to the county more than \$50,000,000.

It was not long before Selleck's milk depot was unable to supply half the demand for Orange County milk. People abandoned the swill milk dealers, and flocked to Selleck's for pure milk. It was a daily spectacle, on the arrival of the milk from the boat in the morning, to see men, women, and children standing in a line a block long, waiting their turn. Then milkmen began getting their supplies of milk from Selleck, and he was on the point of establishing more depots in the city when his business was purchased by a company known as the Orange County Milk Association, which, foreseeing the great proportion the business must assume in the city, had been formed to control as much of it as possible.

The shipping of milk being an entirely untried thing, the farmers and the Railroad Company both had their troubles for a long time. While the weather was cool the milk reached New York in fair condition, if it was not detained on the way; but when the hot weather came, much of it soured before it reached New York, thus working loss to the farmer and injury to the reputation of Orange County milk. The farmers did not know how the milk could be treated to keep it sweet. It was shipped both morning and evening, but much of it soured nevertheless. The railroad had its troubles in trying to find out how the milk could best be handled in transportation. At first the churns were put on a four-wheeled truck or car, which was in turn run into a freight car. At Piermont, the railroad terminus, this truck was run out of the car on to the Hudson River boat, and the churns were not handled until they arrived at New York. As the business grew, and cans took the place of churns and miscel-

laneous receptacles, the use of these trucks became impossible. It was not until after many months of experimenting that the cars were designed for carrying milk alone, and the problem of easy transportation was solved.

But this did not keep the milk from souring in transit, and many farmers abandoned milk shipping and went back to butter making. It was not until the fall of 1842 that it was discovered how to treat the milk to insure its keeping sweet a long time. Farmer Jacob Vail, of Goshen, made up his mind that if the milk was lowered in temperature by sufficient cooling before shipping, it would get to New York all right. He fitted up a hogshead with a coil of one-inch lead pipe inside. He packed this pipe with ice, and ran his milk slowly through the cooled coil. This expelled all heat from the milk. The weather was very warm, but Vail's milk reached market in prime condition, and remained so until it was all sold. Acting on Vail's discovery, the farmers cooled their milk before shipment, and the trouble ceased. That idea of Farmer Vail was the last blow to the butter business in Orange County. In less than two years there was scarcely a farmer within reach of the railroad who did not ship his milk to New York, and genuine Goshen butter, as a commercial article, became a thing of the past.

Jacob Vail's appliance for cooling milk, it was soon found, was not only cumbersome and costly, but also entirely unnecessary. All that the milk required was to be cooled sufficiently, and this could be done simply by placing the pans and cans in springs of water until the proper temperature was secured. In time the capacity and convenience of the springs were not equal to the demands made upon them, and the farm icehouse came into existence, something that had never been heard or dreamed of in the history of farming. To this day many farmers still cool their milk in their springs, just as their fathers did before them.

Said the *New York Railroad Journal* of July 1, 1843, in an article on this revolution in the milk trade: "At this moment fine and wholesome milk is sold all over the city at four cents a quart. The price for swill and adulterated milk was six. This wonderful revolution has been wrought through the agency of the New York and Erie Railroad. Some time since we were informed that if the milk business were to continue as it had commenced it would be found necessary and profitable to run for its accommodation a special train. The following is the mode in which the transportation is performed as related by a resident of Orange County in the *Cultivator*: The cows are milked early in the morning at Goshen and its vicinity, the milk put into cans containing sixty to seventy-five quarts, into which a tin tube filled with ice is inserted and stirred until the animal heat is expelled. It is then sent by the railroad, and arrives, a distance of sixty miles, at the milk depots (which are numerous in the city) in four and a half hours. The tube filled with ice is again inserted, and the milk thus kept cool and sweet until sold."

The condition of the milk business at the end of the first year was briefly recorded in the Goshen *Independent Republican* in the spring of 1843, thus:

"Fifty dollars a day is being received by the railroad as freight on milk. This would give, for the working days, an income of nearly \$16,000. And should the milk carried by the road come into general use throughout the city, as we have no doubt it will, an annual revenue of some thirty or forty thousand dollars will accrue. By this unexpected business the freight on the road is greatly increased. And while the road by this operation finds its income vastly increased, we presume the interest of the farmer is also advanced."

The only stations supplying this milk were Middletown, New Hampton, Goshen, Chester, Oxford, Monroe, and Turners. The same paper, at the close of the year 1844, stated that during that year there had been shipped over the railroad "6,138,840 quarts. The farmers are getting two cents a quart for their milk, and the price of milk in New York to the consumers has been cut from six to four cents, a saving of \$120,000 for the year to them. It requires twelve quarts of milk to make a pound of butter. This year's shipments of milk would have made 500,000 pounds of butter, worth \$75,000, or less by \$45,000 than what the farmers have got for their milk, and saving dairy labor besides. Orange county milk is driving swill milk from the city."

In the early years of the milk business cans of five different sizes were used: twenty, thirty, forty, fifty, and sixty-quart cans. This great assortment was thought by the farmer to be necessary to avoid waste, as it was the belief then that what was left over from one milking was unfit to put in with the next shipment for fear it would sour on the way, so the smaller cans were used to hold these broken lots. That idea was in time found to be wrong, and all cans but the forty-quart one were discarded, and that is now the standard milk can the country over.

In 1842 the milk shipments over the Erie were between 600,000 and 700,000 quarts. The next year they were nearly 4,000,000 quarts. In 1845 the receipts of the Company from the freight on milk was nearly two-fifths of its total freight receipts.

The milk traffic has been one of constant increase on the Erie; and the Pine Island branch, the Crawford branch, and the Montgomery branch years ago became necessary through its demands. The facilities for transporting and handling milk have kept pace with the extension of the shipping territory, so that to-day the Erie runs a daily milk train from Hornellsville, 350 miles west of New York. Nearly every station along the line, from as far west as Allegany County, and in Steuben, Chemung, Tioga, Broome, Susquehanna, Delaware, and Pike counties, sends its quota of milk. This train is in addition to the original milk train of Orange County, which also runs daily. From the pioneer shipment of 240 quarts of milk from Chester on the Erie in 1842 the traffic has grown to an average daily transportation of 200,000 quarts, or 73,000,000 quarts a year, for which the Erie receives over \$500,000 a year in freight charges. The average number of cars of milk carried over the Erie daily is twenty-five. This business is independent of that brought in by the New York, Susquehanna and Western division of the Erie, and of

the cream and condensed milk, amounting to many thousands of quarts daily. This department of the freight business is in charge of Henry Adams, milk freight agent, and George W. Fredericks of Chester, milk agent, who has been in the department twenty-eight years.

#### FIRST PASSENGER KILLED ON THE ERIE.

The freight train between Goshen and Piermont carried passengers also, in a car at the rear end of the train. A well-known character in Orange and adjoining counties was an Irish peddler, named Patrick Fitzsimmons. He travelled about the country with a pack, a method of trading by which people living at a distance from towns and villages fifty years ago were provided with various kinds of merchandise. October 27, 1841, a month after the railroad was opened to Goshen, Fitzsimmons was at Piermont, and boarded the freight train to take his first ride on the "steam cars." When the train was passing up the grade west of the big trestle over the Hackensack River, five miles from Piermont, it broke in two, and the loosened cars started back down the grade toward the trestle. Fitzsimmons became frightened, and rushed to the platform of a passenger car. The runaway cars were then travelling at great speed. The frightened peddler did not stop to consider the consequences, but leaped from the platform. He was hurled violently down the embankment and instantly killed—thus the first passenger to meet death on the Erie.

#### FIRST FATAL DISASTER TO A PASSENGER TRAIN ON THE ERIE.

They were still using cars with but four wheels under them, on the New York and Erie Railroad, in 1846. The wheels were of what was known as the Winans wheel, and were cast with spokes. In 1846 the female seminary conducted by the Misses Watkins at Middletown, N. Y., was a school noted in all that part of the State and the adjacent portions of New Jersey and Pennsylvania. At the close of the school for the summer vacation in the above year, the young ladies attending the institution joined the Misses Watkins in an excursion to the then Mecca of all pleasure-seekers who could make the spot available, the Elysian Fields at Hoboken, whose shady groves, green fields, and pleasant nooks long since fled before the encroachment of railroad tracks, stock-yards, coal-yards, oil-yards, and docks and dock approaches. The day selected for the excursion was Friday, July 24th. Two extra passenger cars were put on the regular morning train on that day to accommodate the excursionists. With these cars the train consisted of four passenger and three milk cars. One of the passenger cars had also an apartment for baggage and the mail. The train left Middletown at 6.30 in the morning, with about 200 passengers aboard, in charge of Conductor James Lytle. The engineer was Joseph Meginnes; the engine, the "Orange." The number of excursionists was increased somewhat by others who boarded

the train at New Hampton, Goshen, Chester, Oxford, and Monroe. About a mile east of Monroe the railroad track was carried across the outlet, or an arm, of Seaman's mill pond by a trestle bridge. The opening thus bridged was twenty feet wide and twelve deep. The water at the bottom was shallow.

The young ladies of the seminary and their parents and invited guests were in the rear car of the train. The next car was one of the two "diamond cars." This car was larger and heavier than the others. It was filled with passengers, as was the one ahead of it. The combination car was next to the milk cars. Among those in the second passenger car was George Stevens, aged seventeen, and his sister. They were from New York and had been visiting friends near Goshen, at which place they got aboard the train to return to New York. Just before the train reached the trestle at Seaman's mill pond, young Stevens went out on the rear platform. Ogden Hoffman, Jr., son of the famous New York lawyer of that name, and who had also been visiting friends in Orange County; Ogden H. Dunning of Goshen; Ira S. Crane, son of Dr. John S. Crane of Goshen; John Hawkins of Hamptonburgh; John Monnell of Middletown; and Edgar Monnell of Goshen, had also gone out and were standing between the two cars, some on one platform and some on the other. The train was moving rapidly on a declining grade, when suddenly the passengers in the combination car found themselves violently thrown and tumbled about over and under the seats. Capt. Lytle, who had been through the train collecting fares, was going toward the door leading to the baggage apartment and was hurled forward with such force by the sudden stopping of the car that he was carried bodily through a pannel of the door and thrown in a heap among the mass of disarranged trunks, hampers, baskets, and other belongings of the passengers.

Almost simultaneously with the commotion on the combination car, passengers in the second car felt it suddenly begin to thump and bound roughly on its way. Occupying one seat in the centre of that car were a little girl, who sat next to the window; Nathaniel Webb, Esq., editor of the *Goshen Democrat*; Capt. Israel H. Wickham of Middletown, and his little boy. When the thumping began Mr. Webb glanced ahead out of the window, and saw timbers flying wildly, and water splashing. Then came a tremendous shock, and Mr. Webb felt a violent blow on the left side of the head. Then there was an awful crash, and for a moment all was still, and then from beneath the ruins of the crushed car there issued appalling and heart-rending shrieks. In a minute, having partially recovered from the stupefying effect of the blow on his head, Mr. Webb hastily put the little girl out the window, and disengaging his feet with much difficulty from the crushed seats, made his escape by the same window.

The locomotive and two milk cars were about ten rods beyond the stream, safely on the rails. A little in the rear was a milk car thrown from the track. About two yards in the rear of that was the foremost passenger car, deprived of

its trucks, and thrown obliquely across the rails. From this, passengers were scrambling through doors and windows. Then came the car from which Mr. Webb had escaped. It was lying directly across the stream, with its forward end resting against the bank and nearly on a level with the surface of it, the rear end lying against the opposite bank, about two feet below the level of the railroad, and so nearly broken in two in the middle that it nearly reached the water in the shallow stream below. Next came the diamond car, with its rear end resting on the bank even with the track, and about twelve feet of its forward end, the car lying obliquely, resting directly upon the second car, which it had crushed down. The fourth and last car was off the track. It had escaped injury, however, as had its occupants.

The rear car had struck the fallen car and run through it about half its length, crushing down all in its way. Between the floor of these two cars lay most of the passengers in the second car, imprisoned and crushed; and it seemed that necessarily most of them must be fatally hurt, so small was the space where they were held. Their groans and shrieks; their heart-rending entreaties for help, mingling with the wild and frantic cries of those who had escaped but were calling upon the name of a missing child, parent, or friend; and the sight of blood dripping freely through the broken bottom of the car into the water beneath, all formed a scene of horror to unnerve the stoutest heart.

After the first panic of the catastrophe was over, and it lasted but a very short time, the hands belonging to the cars, the passengers that were uninjured, and men from the neighborhood who immediately repaired to the spot went vigorously to work, and by demolishing the car succeeded in releasing the sufferers one by one. This was before the days of the telegraph, and wrecking cars or wrecking crews were things unknown. Conductor Lytle despatched a man on horseback for aid, and to carry the news to Middletown, with instructions to get a fresh horse at Chester and another at Goshen. He sent the locomotive forward to Piermont with the news. From there word was sent by a fast steamboat to the officers of the Company in New York.

The only mode of releasing the passengers from the telescoped cars was to tear away the sides, or break up the floor of the diamond car, which formed the cover to the death trap. For some time the rescuers lacked tools to do this expeditiously, but at last axes were obtained from neighboring farmhouses. These had to be handled with care as well as haste, for there was danger in striking a violent blow lest further and perhaps fatal injury should be done to some one of the imprisoned victims.

Only two of the young men who had stood on the platform when the accident occurred could be found. These were Ogden Hoffman, Jr., and Ogden H. Dunning. Neither was hurt, but Dunning never knew how he came off the cars. The others, Ira Crane, George Stevens, John Hawkins, Edgar Monnell, and Charles Monnell, had been thrust through the end of the car and were wedged in beneath the floors of the two for nearly an hour and a half before they could be ex-

tricated. Stevens and Crane had been killed instantly, and were crushed out of all recognition. Charles Monnell was fatally injured, and died next day. Edgar Monnell and Hawkins were badly hurt, but recovered.

Gilbert W. Oliver, of Bloomingburgh, Sullivan County, N. Y., had one leg frightfully mangled, but he bound it up with his handkerchief to keep the mangled parts together, and heroically went to work to rescue his fellow sufferers. He persisted in this work until he fell exhausted from pain and loss of blood.

On following the railroad about twenty-five rods back from the stream, the cause of the accident was discovered. A short distance from the track lay the half of one of the car wheels. The wheel from which this part was broken was one on the last milk car. As the car thus crippled had kept the track for some distance, the broken wheel was not noticed. Just before the car reached the bridge, though, it left the rail, and began to strike and splinter the timbers. As it went over the bridge it tore that structure almost bare of its timbers, but the passenger car just behind it got over the gap in some way, with the exception of its hind truck, which was torn loose on the opposite bank and remained there. The second passenger car also leaped the gap, but its front end struck a little below the surface of the bank and directly against the mass of wreck left by the car preceeding it. The "diamond car" was driven by the impetus of the rear cars violently upon the stalled car, and went crashing halfway through it.

As the "diamond car" rushed upon the car ahead of it, the roof of the latter, instead of breaking up, forced its way through the encroaching car, and in a sound state protruded some twelve feet into it, passing over the heads of those sitting most forward, but striking with great violence those who sat near the termination of its course. Several of the passengers were here badly hurt. One of these, Mrs. Charles Conkling, had the evening before been married at Otisville, and was in company with her husband on her bridal trip. The sweeping roof of the second car struck her in the neck and breast, and inflicted such a frightful wound that she was carried from the wreck, it was believed, to quickly die. That she did not die instantly is to this day a cause of wonder to all who remember or have heard the story of her dreadful injuries. She lingered for weeks on the boundary of death, but at last recovered sufficiently to get about, although terribly scarred. She never fully recovered from the shock of the disaster, however, and died from its effects a year or so later.

Dr. Boyd, of Monroe, was soon at the scene of the catastrophe, and doctors from Chester hastened to the spot on receiving intelligence of the casualty.

The rear end of the train, which had sustained no injury, was transformed into a hospital. As soon as possible a hand-car was provided, covered with cushions from a passenger car, and on it the dead and badly wounded were removed to Stickney's Hotel at Monroe. The accident happened at 8 o'clock. When the messenger on horseback reached Middletown and told the dreadful news, which he had also scattered as he rode, church bells were tolled and all the countryside

was wrapped in gloom. A locomotive being at Middletown, a relief train was quickly made up, and, bearing physicians and groups of anxious and grief-stricken friends of the disaster's victims, sped toward the scene of the disaster as train had never sped over the road before. The locomotive sounded its whistle dolefully all along the line. The train arrived at Seamansville at noon. Two hours later it returned, bearing the dead, and all the wounded that could safely be removed, to the homes which they had left but a short time before, happy and buoyant with expectations for the day, to meet but mutilation and death.

The steamboat that was to have carried the joyous party from Piermont down the Hudson to their destination was despatched instead to New York with the news of the awful fate that had befallen them. President Loder, accompanied by four New York surgeons he had hastily summoned, returned to Piermont on the boat, and hastened thence to the wreck by special train. He arrived on the scene soon after the relief train from Middletown got there. On Saturday he despatched a special car to bear the terribly wounded Mrs. Conkling to her home at Middletown. Charles Monnell, one of the injured, died on that day, and his body was taken to Middletown on a special car. President Loder visited personally the homes of all the wounded, to learn what he could do or have done to alleviate their sufferings.

Another one of the passengers among the seriously injured was Miss Julia Wisner, daughter of Daniel Wisner, of Middletown. Her breast bone was so broken and crushed that its removal was necessary. Miss Wisner never recovered from the effects of her injury. She died a few years later. Her funeral was the largest ever held in Orange County, the procession being two miles in length.

Following is the list of killed and badly wounded in this first serious accident on the Erie Railroad:

Killed—Ira S. Crane, aged 19, son of Dr. J. S. Crane, Goshen; George Stevens, aged 17, New York City; Charles Monnell, son of Joseph Monnell, hotel-keeper, Middletown.

Wounded—Mrs. Charles Conkling, very badly lacerated on her neck and breast; Mr. and Mrs. Penny; George Harding, son of Charles Harding—Otisville. Miss Julia A. Wisner, daughter of Daniel Wisner; Miss Louisa Sweet, daughter of Halstead Sweet; Nathaniel Cooley; Jesse Van Fleet; Miss Sarah Watkins, one of the principals of the Seminary; David Holley, one arm broken, the other dislocated; Mrs. T. C. Royce—Middletown. Gilbert W. Oliver, very badly cut in the leg; Miss Miller, daughter of George Miller—Bloomingburgh. Howard Thompson, milk agent at Monroe. Miss Stevens, sister of young Stevens who was killed; M. Newman; Mr. Bursell; Mr. Strand; Walter S. Corwin—New York City. Edgar Monnell, son of Charles Monnell; Nathaniel Webb—Goshen. John Hawkins, Hamptonburgh. Others were injured more or less seriously.

No accident that had occurred upon any railroad up to that time in this country created so wide-spread a sensation as this one caused. It became the subject of public comment not only in this country, but abroad. It was the first

accident of its kind, and revealed new possibilities of danger to life and limb that lay in wait for travellers by rail. It showed, also, the necessity of providing safeguards against the occurrence of similar disasters; not that the managers of the Erie had not had abundant previous evidence of the defects in the equipment of the road, and the insufficiency of its construction. That it should have required an awful sacrifice of life and the maiming and mutilating of two score of persons to spur the management to a correction of those faults presented a subject for much indignant and bitter comment by the press of the country, although the people to whom the results of the disaster came directly home with crushing force put it on record, at a public meeting held at Middletown three days after the accident, that they exonerated the railroad company from all blame. The chairman of this meeting was Capt. Israel Wickham, who, with his little boy, was among those who had to be dug out of the ruins of the second car, and whose escape with scarcely a scratch was one of the miraculous ones of the catastrophe.

This railroad accident led to the prompt abandoning of the use of the Winans spoke car wheel, not on the New York and Erie Railroad alone, but on every railroad where cars were equipped with such wheels, and to the adopting of solid wheels. It led to the replacing of four-wheeled by eight-wheeled cars on the Erie. From it grew the system of testing car wheels at intervals during a train's trip by tapping them with a hammer to detect by the sound a defective wheel, a system that soon became, and is yet, universal on railroads the world over. It led to the immediate beginning of the work of filling in and strengthening the trestles of the division of the Erie then in operation, and to the ordering that particular care be observed in building similar work on the sections then under construction. Attention was at once especially given to the long and high trestle wall which carried the railroad over the Hackensack River, and its deep valley near Nanuet. This was a slight-looking elevation of timber nearly seventy feet high, and its apparent insecurity had been the source of much loss to the Company in traffic, as a large portion of the travelling public was afraid to risk passing over the lofty structure. This feeling was intensified by the falling of a freight train through the trestle in 1843, and the killing of a conductor. The filling in of this great gap required over 340,000 cubic yards of earth, and the building of a stone arch or culvert, 140 feet long and thirty-foot span, for the passage of the river through the embankment. This was at that time one of the most expensive pieces of work the Company had encountered. It was completed in May, 1847.

The accident at Seamansville, aside from the death and suffering it caused, was a costly mishap for the Company; for, notwithstanding the public declaration that the community did not hold it blameworthy, the Company soon found itself defendant in a host of suits brought to recover heavy damages, the settlement of which, together with the other costs of the accident, compelled an outlay of more than \$100,000.

Mrs. Pronk, widow of James A. Pronk, Esq., of Middle-

town, was one of the young ladies on that historic train. C. W. Dimmick, now of Washington, D. C., was also a passenger.

#### ORIGIN OF REDUCED RATES TO PREACHERS.

The Rev. Dr. Robert McCartee was pastor of the Presbyterian church at Goshen, N. Y., from 1840 to 1849. After the completion of the Erie Railway to Goshen, Dr. McCartee became a frequent passenger, going to the city every week, and sometimes twice a week. One of his trips was in the spring immediately after a heavy rain, and when the frost was coming out of the ground. The combined action of the rain and frost, in connection with a newly constructed road, resulted in covering the track in some of the deep cuts with a heavy deposit of dirt and stones, which seriously interfered with the passage of the trains. The train was delayed some hours, much to the discomfort and annoyance of the passengers. There was great murmuring and complaint among them, and at length a paper was drawn up and signed by several, in which the company and its officials were severely censured for the condition of things.

The good Doctor did not fall in with the current of feeling that had set in, but took a sensible view of the situation—that it was one of those things that could not have been prevented, and for which the Company was not responsible. He concluded, therefore, to endeavor to stay the tide. He kept quiet and waited until the proper time. This soon came when he was asked to sign the paper. He replied that he would do so if they would change the phraseology and insert a preamble that he would suggest, somewhat as follows:

*"Whereas,* The recent rain has fallen at a time ill suited to our pleasure and convenience and without any consultation with us; and,

*"Whereas,* Jack Frost, who has been imprisoned in the ground for some months, has become tired of his bondage and has determined to break loose, and his head may already be seen coming out; therefore,

*"Resolved,* Thus and so."

The effect was that the whole thing was turned into ridicule; the leaders in the indignation movement abandoned their effort, the paper was destroyed, and many of those who had signed it joined in a hearty laugh over the affair, and were glad that it terminated as it did.

The train was in charge of Captain Ayres. He had a vein of humor himself, and enjoyed the affair immensely. Ever afterward he refused to take any fare from the Doctor when on the train, because of the good service which he had rendered to him and the Company. The custom at that time was very largely for passengers to pay their fare to the conductor instead of purchasing a ticket at the ticket office.

Dr. McCartee, however, was not content to be regarded as the exclusive recipient among the clergy of a favor of this kind, and after a while suggested it would be a good thing to extend it to all the ministers, which was eventually done. At first for a short time the Company issued tickets to ministers

free of all charge, but soon after the half-rate fare was adopted. This was the origin of the reduced fare to ministers so far as the Erie is concerned, and dates back to 1843.

The author's authority for the Dr. McCartee incident is the Rev. Dr. S. G. Mills of Port Jervis, who had it from Dr. McCartee's lips many years ago.

"I was coming home for the winter vacation of 1842, while I was in the seminary," says Dr. Mills, relating another incident of early Erie travel. "I came up from New York on the boat. There was a cold storm. Rain and sleet froze as fast as it fell, so that the rails were coated with ice. That was the time when they used wood for the engines, and it was difficult to make steam. We started out from Piermont about twelve o'clock noon, and were from that until nine o'clock at night getting eight miles out from Piermont and back again, where we remained until one o'clock the next day, when we started again, and were until nine o'clock at night getting to Goshen. Captain Ayers was conductor."

#### FIRST AID IN ACCIDENTS FIFTY YEARS AGO.

In February, 1849, after the railroad had been opened to Binghamton, two passenger trains came into collision near Narrowsburg, N. Y. Both locomotives were disabled. It was necessary to have other locomotives before the trains could be moved. The work was of course simple, and there was as yet no telegraph. There was no locomotive nearer than Port Jervis, thirty-five miles away. W. H. Sidell, who had charge of affairs on that part of the railroad, at once had a horse saddled, and summoning his chief and only clerk and general assistant, Charles J. Sackett, despatched him to Port Jervis over the mountains of Sullivan County, N. Y., with orders for the immediate forwarding of two locomotives to the scene of the accident. Six hours later the locomotives arrived, and the trains were enabled to resume their trips.

At another time the engine of a freight train was disabled between Narrowsburg and Cohecton. This blocked the track and it became necessary that the train should be got back to Narrowsburg and placed on the switch in order that the passenger train, which would be due in the course of three hours, might pass. A man was sent back to Narrowsburg on foot through the snow, to have all the teams he could procure sent to the scene of the blockade. The teams hauled the train back in sections, and the passenger train was detained only an hour.

#### BEFORE THE TICKET PUNCH.

In the early days of the passenger business on the Erie the cost of passenger tickets was no inconsiderable item, hence heavy card tickets from and to the various stations were used. The signature of the general ticket agent was attached, and they were taken up by the conductor, returned

to the general ticket office, and sent out to agents for resale so long as they remained undefaced.

After a time an important discovery, seriously affecting the revenue of the Erie, was made. A resident of Andover, on the Western Division, will be used as an illustration. He purchased a ticket to New York. The conductors run by divisions. The passenger's ticket was examined and honored by the conductor between Andover and Hornellsville, Hornellsville and Susquehanna, Susquehanna and Port Jervis. At the latter station the passenger pocketed his through ticket and purchased a ticket from Port Jervis to New York, which was taken up by the conductor on the Eastern Division. Returning, the passenger bought his card ticket from New York to Andover. At Hornellsville he bought a ticket from that station to Andover and retained his through ticket. After the foregoing description, it will be clear that thereafter that person could travel between Andover and New York as often as he might desire, paying fare only between Port Jervis and New York, east bound, and between Hornellsville and Andover, west bound.

This fraud on the Company was in existence a long time before it was discovered. Then a system of cancelling the tickets by divisions by the conductors was adopted. At first they were simply marked with a pencil. This was not a success, and the emergency led to the making and introduction of the ticket punch.

#### THE FATAL FIRST IRON BRIDGE.

Iron railroad bridges, although a modern thing in railroad construction as regards their universal use, were introduced as an experiment on the New York and Erie Railroad as early as 1849. Three bridges of that material were built in that year, the largest one being the one across Westcolang Creek and its deep ravine, a short distance east of Mast Hope, Pa., on the Delaware Division. Those bridges were all removed and replaced with wooden bridges in the summer of 1850, because of a bad accident that happened to a train while crossing the Westcolang bridge, July 31st of that year.

The train was a live stock and freight train of seventeen cars, besides the engine and tender. At the time the train approached the bridge it was going at an ordinary rate, but the engine had but just got fairly off the solid track when the engineer heard a loud cracking sound, and felt something giving away. He put on all the steam possible, and succeeded in getting the engine, which was a very powerful one, upon the other side, but just as he had cleared the bridge it went down with a crash, carrying the tender with it. The cars following tumbled into the abyss, one after another, until fifteen of them, with their contents, were piled up in the gap. The engineer and his fireman saved themselves by jumping off on either side of the engine. The brakeman, Adam Tice, and J. L. Clapp of Ohio, a drover's helper, aged 19, went down with the cars. George Randall, the drover, was precipitated over the embankment with the car he was in. Two other men, who were on the sixteenth car, discovered that

NEW YORK AND ERIE RAILROAD.

No. *261* NEW YORK, *June 29<sup>th</sup> 1859.*

PASS the ~~Bearer~~ *Family of Mr. Charles*  
*Hoyt (moving to Pier)*  
 FROM *Otisville* TO *Pier*

*Good until 1<sup>st</sup> Aug<sup>st</sup> 59*

The person accepting this Pass assumes all risk of accidents, and expressly agrees that the Company shall not be liable, under any circumstances, whether of negligence, by their Agents or otherwise, for any injury to the person, or for any loss or injury to the property of the Passenger using the Ticket.

*A. Moran*  
President.

The Conductor will, in all cases, collect this Pass.

(Obverse.)

NAMES OF STATIONS.

New York,	Port Jervis,	Burns,
Jersey City,	Shushan,	Whitney's Valley,
Bergen,	Lackawanna,	Swainville,
Hackensack Br.,	Madison,	Nunda,
Boiling Spring,	Narrowsburg,	Hunt's Hollow,
Passaic Bridge,	Cochran,	Portage,
Hwyler's,	Canastota,	Castile,
Patterson,	Hanover,	Gainesville,
Godwinville,	Lordville,	Warsaw,
Holokus,	Rockport,	Middlebury,
Alondale,	Hancock,	Linden,
Kamsay's,	Bellevue,	Attica,
Suffern's,	Eddy,	Darien,
Pier,	Succasunna,	Alden,
Piermont,	Greenbush,	Town Line,
Blauveltville,	Greenwood,	Lancaster,
Spring Valley,	Blauvelt,	Buffalo,
Monsey,	Blauvelt,	Almond,
Ramapo,	Blauvelt,	Alfred,
Stonsburg,	Blauvelt,	Andover,
Southfields,	Blauvelt,	Genesee,
Greenwood,	Blauvelt,	Scioto,
Turner's,	Blauvelt,	Phillipsville,
Monroe,	Blauvelt,	Belvidere,
Oxford,	Blauvelt,	Friendship,
Newburgh,	Blauvelt,	Cuba,
Vail's Gate,	Blauvelt,	Hinsdale,
Salisbury,	Blauvelt,	Olean,
Washingtonville,	Blauvelt,	Allegany,
Craigville,	Blauvelt,	Great Valley,
Chester,	Blauvelt,	Little Valley,
Goschen,	Blauvelt,	Cattaraugus,
Hampton,	Blauvelt,	Dayton,
Middleton,	Blauvelt,	Perryburg,
Horn's,	Blauvelt,	Smith's Mills,
Otisville,	Blauvelt,	Forestville,
		Dunkirk.

(Reverse.)

something was wrong in time to save themselves by jumping.

The scene just after the accident had occurred was piteous in the extreme. A hundred head of cattle were writhing in torture, and making the whole mass active by their throes, in the vain endeavor to extricate themselves, some with their horns broken off, and some held fast by means of the ruin piled upon them. Their cries were heart-rending. Some of the poor creatures, mad with pain, their eyes starting from their sockets, seemed bent on wreaking vengeance on whatever object was nearest to them. Others, subdued by their sufferings, moaned piteously, and gazed about as if imploring release.

The imprisoned sheep that were alive simply bleated plaintively, while a few of their companions that had happened to escape and clamber from the wreck went quietly to nibbling grass by the roadside, indifferent to the misery of their fellows. The swine that were part of the writhing, moaning mass were belligerent, after their kind, and those beneath the ruins fought with each other as long as there was life left in them, while the more lucky ones that escaped made for the woods as if flying from some impending danger. As soon as the momentary panic had subsided, the men who had escaped injury set to work to relieve their companions. It was soon ascertained that the drover Randall and the brakeman Tice were near each other, both alive, and by no means despairing. Soon Randall's voice was heard. He was discovered buried among the fragments of the cars, and directly beneath a large ox, which was still alive, and at times greatly distressed the helpless drover by kicking him on the breast. Randall was perfectly sensible, and gave directions as to how he could best be removed. He thought he could endure the weight of the ox until it could be taken away piecemeal. The ox was therefore shot, but in its dying struggles kicked Randall so violently in the breast as to deprive him of life. Immediately before his death he spoke much of his life, stating that he had a wife and four children. The same ox lay partly across Tice, the brakeman, who died before he could be extricated from his frightful situation.

There was no telegraph in use along the railroad yet, although a line was being put up. A man was sent on horseback to Lackawaxen, four miles east of the scene of the accident, to inform John M. Williamson, the Company's agent at that point. Williamson despatched a messenger to Port Jervis, down the tow-path of the Delaware and Hudson Canal, twenty-three miles, to carry the news to Division Superintendent Power. The Superintendent at once started for the scene of the accident with a relief train. Agent Williamson hastened to Mast Hope. Clapp, the other drover, had been found and taken from the wreck in the meantime, alive, but terribly mutilated. By the time Superintendent Power arrived, Agent Williamson had ordered the wounded cattle, sheep, and hogs shot. All the dead beasts were buried in a vast trench, but the task was a long and tedious one; so long, in fact, that, the weather being intensely hot, the carcasses began to putrefy before the work was done, adding

new unpleasantness to the already accumulated horrors. Coe Little was the conductor of the train, and Nat. Hatch engineer.

#### BRINGING THE TELEGRAPH INTO USE FOR RAIL-ROADING.

The Erie, through Charles Minot, and through his successor, D. C. McCallum, attracted the eyes of the whole country to the value of the telegraph as a vital agent in the management of railroads, the running of trains, and the safety of passengers. What was known as the New York and Erie Telegraph Line was begun in August, 1847. It was not a work of the New York and Erie Railroad Company, as its title might imply. Ezra Cornell was the projector of the line, and while he was constructing it through the southern New York counties, taking the wagon roads for his route, Charles Minot was watching him. Minot early saw the value of the telegraph to railroads, and how it might be employed to direct the movement of trains at every point along the road. He induced the Railroad Company to construct a line of telegraph poles and wires along the margin of the railroad, without reference to patents, and without determining the machinery to be employed. It was constructed by the railroad workmen. Mr. Cornell supplied insulators and also Morse machinery for the offices to be opened. The insulators were of brimstone, enclosed in iron pots, and of but small value. On the completion of the Erie telegraph line, Superintendent Minot offered to purchase for the Erie the Morse patent on fair terms. Mr. Smith, one of the owners of the patent, refused to sell. He invited the New York and Erie Railroad Company to become stockholders in the Telegraph Company, and thus acquire the right to use the Morse instruments. By this time, however, the Cornell line had so shown its unreliable character that Mr. Minot declined the invitation. He wrote, also, very placidly to Mr. Smith that his notion was that, after its completion, "our Company would make arrangements with the New York and Erie Telegraph Company to work it for us." After a short struggle against circumstances the wire of the Cornell line was, in 1852 and 1853, transferred from the poles along the turnpikes to those of the Railroad Company, and by gradual processes the line became massed with and faded into the property of that Company. In 1852 the title of the company was changed to The New York and Western Union Telegraph.

In 1851 the New York and Erie Railroad Company, having constructed its telegraph line, placed it under two superintendents. L. G. Tillotson was intrusted with the section between Owego and New York, and Charles L. Chapin with the section from Owego to Dunkirk. In 1852 Tillotson was made sole superintendent. Luther G. Tillotson was but nineteen years old when he became superintendent of the Erie Telegraph. He was born in Ithaca, N. Y., March 1, 1834. His father was a friend of Ezra Cornell, and became a telegraph constructor. At the age of fifteen Luther began

to learn telegraphy under his father, and in less than a year was an expert for that day. He entered the service of the Erie in 1851. In 1862 he began dealing in railway and telegraph supplies, and in 1865 established the house of L. G. Tillotson & Co., in New York, and remained at its head until his death, January 31, 1885. He was an authority on telegraph and telegraph construction.

William J. Holmes, who had been in the service of the Erie Telegraph Department since 1856 (as operator at Mast Hope) until 1859, was in that year appointed division operator of the Delaware Division, with jurisdiction over all the offices on that division. In 1862 he was transferred to headquarters in New York, and on the retirement of Mr. Tillotson he was made general superintendent, which place he still holds. He is also district superintendent of the Western Union Telegraph Company.

The route of the original Cornell line was along the public roads from New York through Harlem, White Plains, Sing Sing, Peekskill, Newburgh, Goshen, Middletown, Honesdale, Montrose, Binghamton, Ithaca, Danville, Nunda, and Pike to Fredonia.

The first telegraph instrument of the Cornell line on the line along the Erie was put up in the bar-room of a hotel at Goshen, N. Y. (now the Occidental), and its wonderful transmission and receipt of messages amazed the people. This was in 1849. Cornell subsequently made an arrangement with Lebeus Vail, who had a bookstore, book-bindery, and printing establishment on the opposite side of the street, to have the telegraph office in a corner of his store. Vail had three sons with him in the store, Hector J., Nathaniel, and Wilnot M. Hector and Nathaniel soon learned to operate the instrument, and Hector became the first regular operator. The line worked badly. The first telegraph station west of Goshen was Port Jervis.

Hec. Vail went to Port Jervis early in 1851, to take charge of the office there, and his brother Nat. was put in charge of the Goshen office. At that time the Railroad Company's telegraph line came into the same offices. The railroad men soon learned that they could find out where the "mail train" or any other train was by asking at Vail's, so they could go on their way if it was late, and save time. But they did it without any authority. They were simply "wildcatting" without orders, on the strength of what the telegraph said. It was nearly a year after that before the Company began to appreciate the advantage of the telegraph, and led to Charles Minot's adopting it on the road.

Ezra Cornell was so poor at that time that when he came to Goshen, if there was no money in the office, Vail would advance him some, so that "Old Bones," as he was irreverently called, might get something to eat. A few cakes, or a slice of bread and a morsel of cheese, sufficed him.

Henry O'Reilly, one of the pioneers of telegraphy in this country, wrote as follows, under date of July 17, 1852 :

Though railway telegraphing is attempted to a very limited extent, even the partial experiment on one of the most profitable railroads in

America (although that experiment employed little of the organized system here proposed) will probably fully sustain the assertion which I hazarded when commencing the establishment of the telegraph system by individual enterprise seven years ago, that a well-arranged telegraph for railroad purposes would, each and every year, render to a railroad company sufficient benefits to counterbalance the whole cost of construction.

He dwelt upon the feasibility of telegraph messages in the operating of railroads, instancing that signals could be given from any point at any time of night or day to alarm and inform any and all stations, along the whole extent of the line, of delays, accidents, or other matter essential to safety of passengers and property. Not only every station, but every train while in motion, he declared, could be signalled and cautioned whenever necessary, by the ringing of bells by electricity, or displaying signals along the line on posts between stations, to warn engineers and conductors of any difficulty or irregularity which might result in mishap.

These suggestions were placed before the New York Legislature in 1853, the Legislature having, in 1852, discussed the subject of the seemingly undue prevalence of railroad accidents, and propounded to the railroad companies of the State a number of questions in relation to the matter, for official answer. The Erie made no reply to any of the questions. If it had, there might have been a record of the date on which the experiment by Superintendent Charles Minot of running a train by telegraphic order was tried—which experiment proving successful, the system was regularly adopted by the Company, and it became, as to-day, universal on railroads. As it is, there is no such record. The late William H. Stewart, the Erie conductor who ran the train thus first moved under telegraphic instructions, did not remember with certainty the year or the month. He thought it was in the fall of 1852; but as Mr. O'Reilly, in his deliverance to the Legislature in July, 1852, mentions the fact that railroad telegraphing was then in use "on one of the most profitable railroads in America," meaning the Erie, the first telegraphic train order must have been given before the time mentioned by Mr. Stewart, probably in the fall of 1851. At any rate, the use of the telegraph as an invaluable adjunct of railroad operation was suggested, if not advocated, by Mr. O'Reilly at least six years before it had practical demonstration on the Erie at the hands of Superintendent Minot.

But years before the telegraph was used for any purpose in this country, not to mention its application to railroad operation, the Cooke and Wheatstone "magnetic telegraph" had been in use upon several English railroads, and Superintendent McCallum's declaration, made in 1855, that a single track railroad with a telegraph connection was much superior to a double track railroad without such connection, was anticipated as early as 1836, when the editor of *The New York Railroad Journal*, referring to the Cooke and Wheatstone telegraph, wrote in his periodical that "a single track of railroad of any length can be made as effective and as safe by means of this auxiliary as any double track can be, and this, too, at an original outlay of about the sum required to

keep annually a track in repair. The advantages to railroads of this important invention can easily be understood by those familiar with railroad management, and if to these we add the profit to be derived from the transmission of intelligence, we certainly think there is ample inducement for its employment upon every railroad in the United States."

In September, 1839, the Great Western Railroad Company was operating a "magnetic telegraph" on the line of railroad between Paddington and Dryton, England. Information as to how many passengers left Dryton or Paddington by each train, and similar intelligence, was what the telegraph was utilized in communicating. A question sent would be answered in two minutes, the distance being 13½ miles. The alphabet was on a dial, and the indicator pointed out each letter under the manipulation of the operator at the other end.

The London and Blackwell Railroad was opened in September, 1840. It was three miles long, and the cars were run by stationary engines at each end of the line—possibly a pioneer cable line. Speaking of this railroad at the time, a London newspaper said: "The telegraph invention of Cooke and Wheatstone enables parties at each end to converse. The telegraph is in a neat mahogany case, and it rings a small bell to announce when a train is to be put in motion. There is one at each intermediate station to enable the servants of the railway to communicate with the engineer at the termini. If there is any impediment or casualty, news can be conveyed in the short space of three seconds."

One of the first to learn telegraphing on the old Cornell line was D. H. Conklin, who was a printer's apprentice at Peekskill, N. Y., in 1848. In 1850 he went to Williamsburg to work at his trade. The telegraph line the New York and Erie Railroad Company was building was completed between the end of the pier at Piermont and Goshen in the latter part of that year, but had not been put in operation. West of Goshen portions of the line were up, but there were many gaps in it to be closed before a thorough connection could be obtained. At the pier a battery had been put in, but no operator was placed there, and the battery had failed. Superintendent Minot, at the suggestion of Ezra Cornell, sent for young Conklin to go to Piermont and see what the trouble was. The Erie general offices were then at 35 Wall Street, and one day in the latter part of December, 1850—the day of the month is now not known—Conklin received a letter from Superintendent Minot. It stated that Conklin had been recommended to the writer in flattering terms as a skillful telegraph operator; that it had been decided that the telegraph would be useful in operating a railroad, as it was hoped that it could be utilized not only by showing the location of trains at all times but in the movement of trains; that the work of erecting the Erie line was dragging, which was exceedingly annoying to the writer, as he had been the principal in advising its adoption; that the line from Piermont to Goshen had not been worked, and that Mr. Cornell had advised that Conklin be sent for to go up to Piermont and see

what the difficulty was. The letter asked Conklin to call at Superintendent Minot's office in Wall Street for an interview.

The result of all this was that the young printer-operator went to Piermont. He found a main battery the like of which he had never seen before. It was known as the "Dutch Battery." Conklin had never handled any except the "Grove." After nearly two days' work, however, he got it in order. Then the whole business was blocked because the Goshen operator could not be "raised." Hector J. Vail, familiarly known as "Hec" Vail, was the operator for the Cornell line at Goshen, and the Erie wire was in the same office, as before stated. Vail was supposed to answer the latter wire in case it were called, but operator Conklin called for him all day, January 3, 1851, and could get no response. Next day he went to Goshen on the first train to see if he could not induce "Hec" to give him and the Erie wire a show for a test. "Hec" consented to do so. Conklin returned to the Pier, called up Vail, and a thorough test of the wire proved that it was working satisfactorily. Conklin returned to New York and reported his success to Superintendent Minot, with the intention of resuming work at the case in the Williamsburg printing office. But he did not return to his case. Superintendent Minot's satisfaction over the successful working of the telegraph line was great, and he had little difficulty in impressing Conklin with possibilities that awaited him in the service of the Erie Telegraph Department.

"You must return to Piermont at once," said he. "We must have your services there as operator. I can't say just at this moment what your wages will be, but that will be arranged to your satisfaction. You must return to the Pier!"

The young man severed his connection with the printing office, and returned to Piermont to take charge of the telegraph office there. He remained there until the telegraph was completed and opened as far as Port Jervis, in the winter of 1851. The division agent (W. H. Power), as the division superintendent was called in those days, advanced him money from time to time—sometimes as much as \$10—for his expenses. When the line was opened to Port Jervis, Superintendent Minot brought up the subject of Conklin's salary.

"You know," said he to Conklin, "we will have to employ about ninety operators when the line is completed, and the pay-roll will be heavy, and a large addition to the operating expenses. Now you are an expert. The amount we fix for your salary will govern the salaries of the others. I hope, therefore, that you will accept \$30 a month as your pay, and when the wire is all in good working order I will give you the best office on the line."

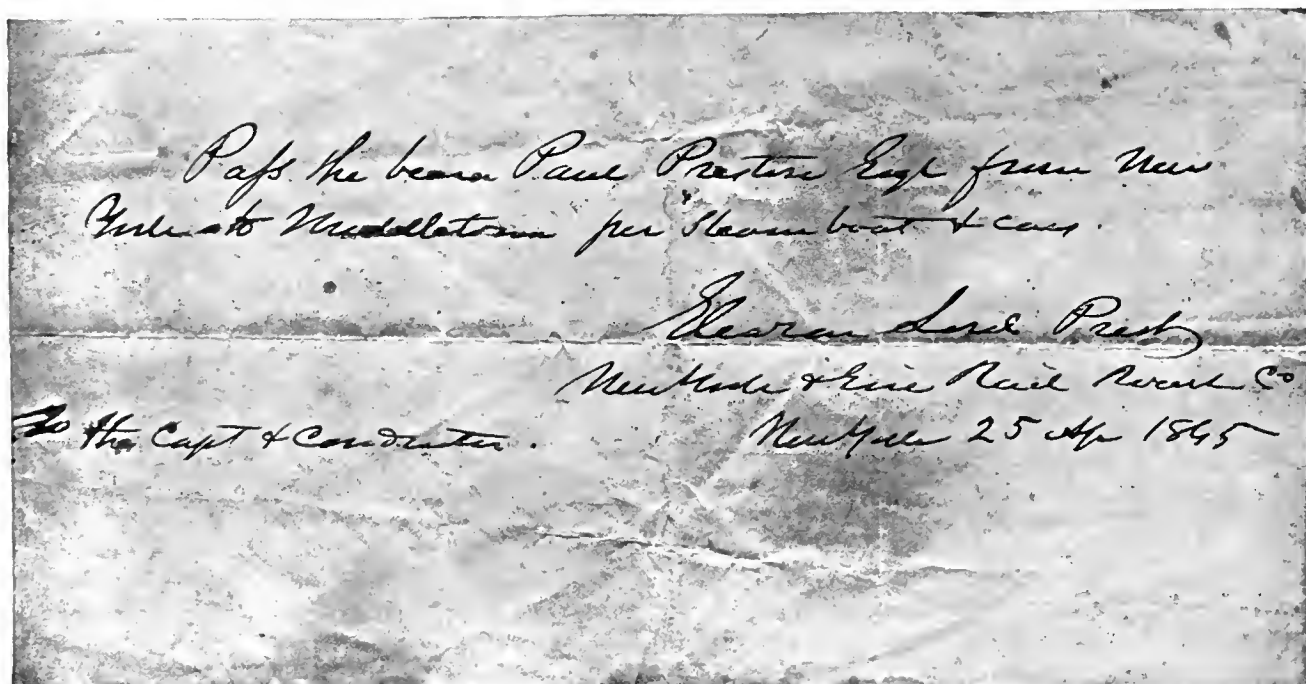
The offer was accepted, with hopes for the future, and thus D. H. Conklin became the first telegraph operator to receive a salary from a railroad company. He assisted in stringing the first insulated wires under the drawbridges on the Paterson and Ramapo and Paterson and Hudson River railroads, and opened some of the Erie telegraph offices on the Susquehanna and Western divisions. In the spring of 1851 he succeeded Joseph W. Guppy as operator at Susque-

hanna Depot, then the most important office on the line, it being known as a "repeating station."

In those days passengers, baggage, and express and mail pouches were transferred between Piermont and the foot of Duane Street, N. Y., by steamers. The principal steamer was the "Erie." Dave Lampman was captain of this boat; Henry Kipp was clerk. There was also an official corresponding to steward or purser, in the person of "Billy" Skelly. All the freight, live stock, etc., was transferred to and from the cars and barges at Pier, and the work required a small army of men. Coming out of New York there were clerks upon the barges that worked at billing goods from

Uses for the telegraph wire developed slowly. The employees, being unacquainted with the telegraph, had but little confidence in it. While at the Pier, Conkling frequently urged those in authority to use the wire, and make inquiries of, and give directions to, their subordinates through that means. For a long time after communication was first made by wire, the message began with "Dear Sir," and closed with "Yours respectfully."

The first benefit to the railroad derived from use of the telegraph was in handling freight. It was the custom to load the holds of the barges or boats and leave a certain large portion of the decks clear for live stock expected upon a train



AN ERIE FREE PASS OF 1845. ORIGINAL OWNED BY MISS ANN PRESTON, MIDDLETOWN, N. Y.

(Pass the bearer Paul Preston Esqr from New York to Middletown per Steamboat & cars.

ELEAZAR LORD Prest New York and Erie Rail Road Co  
New Yk 25 Ap 1845)

To the Capt & Conductor.

duplicate shipping receipts, and upon arrival at the Pier the work was transferred to the freight office, a building several hundred feet long, where the work of billing was completed. When passenger trains arrived from the West, a large number of men were on hand to transfer baggage, express, etc., to the boats. Before the telegraph line was put in operation, the Pier gang would be on hand at the time set for arrival of trains, and all would "throw the peaks of their ears" inshore toward Piermont. The word would pass: "There she comes!" All would jump to their feet and be in readiness. Then would follow: "No; it ain't her!" and there would be a general settling down again. Perhaps, by next boat from New York, notice would be received that the expected train had met with an accident on the western part of the road, as announced by telegraph around through the northern part of the State.

due at about 10 P.M. The hitching-rack for cattle was just outside the rail, to which they were led up and tied by "bull ropes." As the number of head of cattle coming was always an unknown quantity, but little of the decks was loaded, and the men were laid off, or otherwise employed, until the arrival of the train and the transfer of the cattle to the barge or barges was made. Then loading was completed, and the steamer started with her barges for New York.

One day it occurred to Operator Conklin that the wire could be used to the great saving of time and expense in this matter, and he arranged with the conductor of the stock train the next night to let him know by telegraph the number of cattle he would bring in and what he might pick up at "blind stations." This the conductor did. Conklin went to the platform and saw the foreman, Jimmy Hagen, and sorting out the number of "bull ropes" to accord with his

knowledge of the cattle to arrive, told Jimmy he need not stop his men as they could load up to the space as indicated, so that when the stock train arrived the boat and barges could get off in thirty minutes instead of being detained for loading the balance of the deck space after the cattle were driven aboard. He also went to Captain Lampman, told him what he had done, and assured him that the fires under his boiler need not be "banked," because he would be able to get away at the time mentioned, thus arriving at New York much earlier, saving fuel, and enabling his men to get more rest.

Conklin's proposition caused much discussion, participated in by Captain Lampman, Agent Sabin, Division Agent Taylor, and others, and much distrust was expressed, but Conklin insisted, and his unheard-of innovation was finally so far agreed to as to give it a trial. He paced the long platform waiting for the whistle of the train, and was in a very nervous state when the train came in. The tally proved correct with the telegraphed information. The stock was driven to the barges, which were started for New York sooner than any Erie barges had ever started before after the arrival of a train. As related by Superintendent Minot, who went to Piermont on the next morning's boat, the barges arrived at New York several hours ahead of the usual time, and the stock was taken off and driven to "Bull's Head," the then live-stock market of New York, before business commenced. The streets being unoccupied, less risk and trouble were encountered. Minot, who slept in the Company's building at the foot of Duane Street, arose to go to the pier to see the barges come in, as was his custom, when to his surprise he found them already in, the stock at Bull's Head, and the work of unloading the barges going on. He took the morning boat, went up to the Pier, and was delighted with the evidence of the usefulness of his telegraph scheme.

From this beginning the use of the telegraph spread until anything and everything was expected from it. The whereabouts of every train upon the division was inquired for about every minute. Lying in bed one night (Conklin roomed at the end of the pier), Charley Pike, the night watchman, came to his room to know where a certain overdue train was. Just as he came in, some office was reporting the train. Conklin told Pike to keep quiet, and he read to him the report. But the watchman was not, as he said, to be fooled in that way.

"You can't fool me," he said, "by pretending to read what the telegraph is saying while you are in bed."

So Conklin was forced to get up, go to the instrument, and get the information from the tape.

As to the inauguration of train-despatching, there was but one opinion among the men who ran on the trains. They deemed it unsafe and unwarranted by rules governing operating. Engineers, in solemn conclave upon their "hunkies" in the round-house, discussed the subject, and resolved that they would not act upon an order sent by wire, and would not run their trains against a ruling time-card train. When

and where the issue was made is told elsewhere, and thereupon Superintendent Minot issued a circular authorizing and directing that orders given by wire by certain officials therein named be obeyed. This opened the way, and thereafter "orders" were in demand. Not a conductor or engineer, arriving behind schedule time, failed to show the despatcher where he (the despatcher) had been neglectful of duty. "Had we been run to a certain point for a certain train," they would say, "we would have arrived on time."

About the time Conklin first went to Pier, Ezra Cornell had conceived the idea of working a cable across the Hudson River from Pier to Dearman. The steamer "Gold Hunter," which had been used as a ferry-boat between Fishkill and Newburgh, was employed to run the wire from a reel. The size of wire was No. 9, and it was covered with layers of sheet gutta-percha. There were weights composed of lead clamped around the wire, which it was supposed were sufficiently heavy to anchor and keep the wire from moving with the tide. Unfortunately the weights were too light, and the wire being carried up and down the river by the tide, the covering or insulation was destroyed and the work resulted in failure. This was undoubtedly the first attempt to work a telegraph cable line.

D. H. Conklin left the Erie service to go with the Delaware, Lackawanna and Western Railway Company as operator at Sand Cut, or Gouldsborough. In 1868 he became a train despatcher for the Delaware Division of the Erie at Port Jervis. Early in the 70's he went to Illinois, where he subsequently became president and manager of a railroad company, and remained at its head several years, his home being at Decatur. He retired from active railroad service a few years ago, and in 1894 was elected mayor of Decatur. He is still a resident of that city.

The first report of an accident on the railroad to be sent by telegraph was sent over the wire by Wilmot M. Vail. The exact date of the incident is not known, but it was some time in 1851, before the Erie had adopted telegraph signals. Hector Vail was then the operator of the Cornell line at Port Jervis. His brother Nathaniel had charge of the office at Goshen. As stated, this office was in the Vail store. Wilmot Vail had not learned to operate, but from hearing and seeing his brothers working at the primitive Morse machine he had unconsciously obtained some insight into its manipulation. The day in question Nathaniel Vail, the operator, had gone to New York, leaving the Goshen office uncovered. The day express from New York, while making the run between Chester and Goshen, ran off the track and into the ditch at Otterkill Creek, two miles east of Goshen. The run-off was a serious one. An hour or more having passed beyond the time the train should have arrived at Port Jervis, the officials there began to want to know something about the train and what was the matter with it, and Hector Vail began to call Goshen. He did not know his brother Nat was absent. At Goshen they knew all about the accident to the train. Wilmot Vail heard the call on the

machine, but telegraphing not being in his line he let the call go on. He knew it was his brother Hec calling from Port Jervis, and naturally imagined that he wanted information about the day express. The calling kept on at short intervals for hours, the train not having yet been put back on the track. At last Wilmot Vail began to think the matter over, and made up his mind that he could respond to the call himself. He studied the alphabet awhile, and then pounded off on the key the news about the wrecked train. He was a long time doing it, and the message got to Port Jervis in rather disabled form, but near enough correct for Hec Vail to make out its purport. Although Hec got the news he had been hours calling for, he was not pleased with the way it came in, and after receiving it he telegraphed back to Goshen this ungrateful but altogether forcible inquiry:

"What d——n fool sent this in?"

And that is the way the first report of an accident on the Erie, or on any other railroad, was sent over the telegraph wire.

To Charles Minot belongs the honor of having made the first practical application of the telegraph to railroading, either in this or any other country, by his adopting it in the early autumn of 1851, as near as the date can be now fixed, to the running of a train by telegraphic order, which led to a system that was adopted by railroads throughout the world, and remained the standard signal and reporting system on railroads until the block system began to take its place, ten years or so ago. Up to the time of Minot's initial experiment with telegraph orders, trains on the railroad were run on what was called the "time interval system." The rule was that a ruling train had right of one hour against the opposing train of the same class. Trainmen were anxious to get through. As an instance of this, once Conductor Henry Ayres had lost his hour at Pond Eddy. He took the switch, and after waiting ten minutes, as was the rule, and the opposing train not being in sight or hearing, he started a brakeman with a red flag, and giving him twenty minutes start, followed with his train. A little west of Shohola he caught the flagman, who had stopped on enough straight line to make it safe. The exhausted man was taken aboard the train and a fresh man started on with the flag, which operation was repeated until the train expected was met at Callicoon, thirty-four miles from Pond Eddy. Captain Ayers used to say that he had flagged the entire length of the Delaware Division more than once.

W. H. Stewart was running the west-bound express train on the day when Superintendent Minot made his astounding innovation in railroading, he happening to be going over the road on that train. The train, under the rule then existing, was to wait for an east-bound express to pass it at Turner's, forty-seven miles from New York. That train had not arrived, and the west-bound train would be unable to proceed until an hour had expired, unless the tardy east-bound train arrived at Turner's within that time. There was a telegraph office at Turner's, and Superintendent Minot telegraphed to

the operator at Goshen, fourteen miles further on, and asked him whether the east-bound train had left that station. The reply was that the train had not yet arrived at Goshen, showing that it was much behind its time. Then, according to the narrative of the late W. H. Stewart, given to the author in 1896, Superintendent Minot telegraphed as follows, as nearly as Stewart could recollect:

*To Agent and Operator at Goshen:*

Hold the train for further orders.

CHAS. MINOT, *Superintendent.*

He then wrote this order, and handed it to Conductor Stewart:

*To Conductor and Engineer, Day Express:*

Run to Goshen regardless of opposing train.

CHAS. MINOT, *Superintendent.*

"I took the order," said Mr. Stewart, relating the incident, "showed it to the engineer, Isaac Lewis, and told him to go ahead. The surprised engineer read the order, and, handing it back to me, exclaimed:

"Do you take me for a d——n fool? I won't run by that thing!"

"I reported to the Superintendent, who went forward and used his verbal authority on the engineer, but without effect. Minot then climbed on the engine and took charge of it himself. Engineer Lewis jumped off and got in the rear seat of the rear car. The Superintendent ran the train to Goshen. The east-bound train had not yet reached that station. He telegraphed to Middletown. The train had not arrived there. The west-bound train was run on a similar order to Middletown, and from there to Port Jervis, where it entered the yard from the East as the other train came into it from the West."

An hour and more in time had been saved to the west-bound train, and the question of running trains on the Erie by telegraph was at once and forever settled.

When the system of running trains on the Erie by telegraph was well established, a code of signals or signs for stations was adopted, such as "PO" for Port Jervis, "XN" for Lackawaxen, and so on. With some modifications this abbreviated nomenclature is in use to-day.

The novelty and importance of applying the telegraph to the running of its trains by the Erie did not begin to attract general attention until 1855. In his report for that year, John T. Clark, New York State Engineer, referred to this innovation at length. As his statements describe accurately the system of operation on the Erie that had gradually developed under the telegraphic adjunct, and which, modified and improved by Superintendent Minot and his successor, D. C. McCallum, eventually became the standard system on railroads everywhere, they are reproduced here as interesting and valuable historic data:

The telegraph has been in use on the Erie since 1852 [meaning practically]. By the concurrent testimony of the superintendents of the road, it has saved more than it cost every year. There is an operator at every station on the line, and at the important ones day and night, so placed that they have a fair view of the track. They are required to note the exact time of the arrival, departure, or passage of every train, and to transmit the same by telegraph to the proper officer. On each division there is an officer called train despatcher, whose duty it is to keep constantly before him a memorandum of the position of every train upon his division, as ascertained by the telegraphic reports from the several stations. The trains are run upon this road by printed time-tables and regulations. When they become disarranged, the telegraph is also used to disentangle and move them forward. When trains upon any part of this road are delayed, the fact is immediately communicated to the nearest station, and from there by telegraph to every station on the road. Approaching trains are thus warned of the danger, and accidents from this cause are prevented.

When one or more of the trains from any general cause, like that of snow storms, etc., have been retarded and are likely to produce delays on the other trains, the train despatcher is authorized to move them forward by telegraph under certain rules which have been arranged for that purpose. Having before him a schedule of the time of the passage of each train at its last station, he can determine its position at any desired moment with sufficient accuracy for his present purpose, and can adopt the best means of extricating the delayed trains and of regulating the movement of all so as to avoid any danger of collision or further entanglement. He then telegraphs to such stations as are necessary, giving orders to some trains to lay by for a certain period, or until certain trains have passed, and to others to proceed to certain stations and there await further orders.

To prevent any error or misunderstanding between the despatcher and the conductor of the train, he is required to write his order in the telegraph operator's book. The operator who receives the message is required to write it upon his book, and to fill up two printed copies, one of which he hands to the conductor of the train, and one to the engineman. The despatcher then transmits a message to the conductor, asking him the question: "How do you understand my message?" To which the conductor must make reply in his own words, repeating the substance of the message as he understands it, to detect any error which may be made by the operator, or of his own understanding of it. If this is satisfactory to the despatcher, he telegraphs, "All right, go ahead!" and until this final message is received, no trains can be moved on the road by telegraph.

Time is saved by using abbreviations for stations and messages, trains, etc.

In this way, if a passenger train is delayed an hour or more, all freight trains which would be held by it at the several stations under the general rules are moved forward to such other passing places as they are certain to reach before the delayed trains could overtake them, and thus it frequently happens that in a single day the trains which would otherwise be delayed, are moved forward by telegraph, the equivalent to the use of two or three engines and trains.

The blank orders that were the basis of telegraphic running of trains originated with Superintendent McCallum, in 1854. They became famous as "Blank 31," "Blank 32," and "Blank A." The use of Blank 31 came under Rule 12 of the McCallum code, which was that "when a meeting place is to be made for trains moving in contrary directions, the right to run shall be made certain, positive, and defined, without regard to time," and this form of order was prescribed:

From ..... Station to ....., Conductor, and .....,

Engineer: You will run to ..... Station regardless of ..... train bound (east or west). "31."

....., *Division Superintendent.*  
per ....., *Despatcher.*

Received by ....., *Operator.*

The figures "31" meant, "How do you understand?" The conductor and engineer to whom such a despatch was addressed were under obligation, by the rules, to reply to it at once, and in doing so would telegraph: "32," which meant, "I understand that I am to—," and then a repetition of the order followed. "Blank A" was an order those in charge of trains never cared to be under the necessity of receiving. It was as follows:

(A)

From ..... Station to ....., Conductor, and ....., Engineer, at ..... Station:

You will run (east or west) ahead of ..... Train, conditioned as follows: Should you, from any cause, be unable to make your running time, you will, as soon as you discover such to be the case, leave your Flagman to warn the approaching train, ahead of which you have been ordered to run, and you will put your train upon the first switch you reach, and there remain until you have received special orders to proceed, or until you can go ahead in accordance with the right of your train, as per printed instruction, March 6, 1854. The responsibility of an accident resulting from the violation of any particular contained in Rules 14 and 15 of Supplementary Instructions of April 2, 1855, will rest upon you. This order will remain in force until countermanded. "31."

....., *Division Superintendent.*  
per ....., *Train Despatcher.*

Received by ....., *Operator.*

The order contained in Blank A was not telegraphed entire, but was printed and in stock at the telegraph offices, and conductors and engineers were simply ordered by telegraph to run their trains so and so, "by Blank A," which was entered by the operator on the printed blank and delivered to the trainmen it was intended to instruct.

This system, with but little change or modification, remained the system under which operations were conducted on the Erie for thirty-five years, when the block system of the Pennsylvania Railroad was finally put in force, in December, 1888. Old-time Erie men still cling to the memory of the original system, and declare that it was a better one than the modern block system; but such is not the opinion of the public or of present-day railroad managers.

Charles W. Douglas was the first telegraph operator to ignore dependence on the printed slip of the receiving instrument in taking a regular train order to be delivered to a conductor, and to take the message by sound as the instrument clicked it off in impressing the characters on the tape. Mr. Douglas started in life as a printer. After learning his trade in the office of the *Advertiser* at Angelica, Allegany County, N. Y., he started on foot in the pursuit of fortune. He had as companions at one time in his tramp through the country Mark M. Pomeroy, afterward known to fame as "Brick" Pomeroy, and David R. Locke, who made a great reputation

and much money in after years as "Petroleum V. Nasby." Early in 1851 young Douglas found himself at work in the office of the *Record*, at Dundee, Yates County, N. Y. About that time Ezra Cornell had got a branch of his telegraph working along the line of the railroad then but recently constructed through that way, and an office was fitted up in the *Record* office. Douglas at once developed a tendency toward the telegraph. The mystery of the insignificant little instrument that clicked messages away and received messages with other clicks, fascinated him, and he resolved to master it. By stealthy nightly intrusion into the room where the instrument was—it was not worked at night—and by means of the operator's key alphabet book, and persistent practice on the keyboard, he, in the course of time, believed that he had



C. W. DOUGLAS.

made himself as proficient as need be to adopt telegraphing as a profession, and he threw up his job in the Dundee printing office, went to Elmira, where the headquarters of the Erie telegraph had recently been established, in charge of L. G. Tillotson as superintendent, and solicited a situation as operator. The telegraph had not yet been utilized in the running of trains under telegraphic orders. The railroad had been opened through to Dunkirk only a few weeks. The young tyro in his business succeeded in satisfying Tillotson that he was equipped for a place, and he was employed. He was sent to take charge of the office at Addison, N. Y. Douglas's confidence in himself was not misplaced. He manipulated the instrument well from the start, and soon became expert.

While Douglas was at Addison, the Erie adopted the telegraphic order system of running trains. By this time Douglas's

ear had become so nicely adjusted to the clicking of the receiving instrument that he found he could take a message just by the sounds of the instrument, without spelling it out on the tape. One day an order came from the despatcher's office at Elmira for a conductor who was waiting for it at Addison. Douglas wrote the order as it was clicked off the wire, and handed it to the conductor. The latter, noticing that Douglas had not copied the message from the tape reel, emphatically refused to accept it until the operator, who protested, had taken it from the tape. The incident seemed to the conductor to be so fraught with danger to the running of trains that he reported Douglas to Superintendent Tillotson, who was aghast at such trifling on the part of an operator, and immediately called the offender to Elmira, and reprimanded him severely for such an unheard-of act. Douglas insisted that if an operator could understand by the sound of his instrument the call of his office from another office, there was no reason why he should not learn the sound of every character in the alphabet, and read them by ear correctly in any combination they might come off the wire, and proved it by practical demonstration. Still Superintendent Tillotson was skeptical, and it was not until Douglas had succeeded in every test the superintendent and the Elmira operator could put him to, during an all-afternoon's experimenting of the severest kind, that they began to believe in the practicability and safety of taking telegraphic messages by sound. It was not, however, until Tillotson had sent Douglas back to Addison and wired him a long message as fast as it could be put on the wire, with instructions to take it by sound and repeat it to Elmira, and the message began to come back to Elmira from Addison almost before the last word had left the Elmira office, that the superintendent was entirely satisfied, and from that day taking messages by sound began to be the best qualification of an operator, and the days of the old tape reel were numbered. Douglas was called from the little wayside office at Addison and installed as manager of the Elmira office. From that Mr. Douglas filled many responsible places in the service of the Company, until he became chief train despatcher on the Delaware Division, under Superintendent Hugh Riddle. January 1, 1865, he was himself appointed superintendent of that division, to succeed Mr. Riddle, who was promoted to the general superintendency. In this position Mr. Douglas speedily took front rank among railroad superintendents. In 1869 he dismissed an employee of the Company at Port Jervis for what he considered good cause. Jay Gould ordered reinstatement. Mr. Douglas declined to obey the order, and was forced to resign. General Superintendent Riddle supported Mr. Douglas in the matter, and his resignation was also demanded. The employee over whom the controversy arose was reinstated by President Gould.

After leaving the Erie Mr. Douglas became general superintendent of the Southside Railroad of Long Island, and subsequently general superintendent of the Oswego and Midland Railroad, now the New York, Ontario and Western. In 1874, he having been successful as a railroad contractor in 1870 in

building the Goshen and Deckertown Railroad (Pine Island Branch of the Erie), Mr. Douglas took the contract for building the Corpus Christi, San Diego and Rio Grande Railroad, from Corpus Christi, Texas, to Lareto, on the Rio Grande River. This is now a part of the International Railroad. After completing that work, Mr. Douglas took charge of the New York and Greenwood Lake Railroad, and later of the New York and Sea Beach Railroad, on Long Island. When the Erie dissolved its relations with the United States Express Company, and assumed charge of the express business over its railroad, Mr. Douglas was appointed route agent of the Erie Express Company, which place he held until the business was taken by Wells, Fargo & Co. For nine years thereafter Mr. Douglas was in the employ of the West Shore Railroad Company, retiring to engage in the business he started out in life in, and became an employing printer at Syracuse, N. Y. He sold out his establishment in the spring of 1898.

This copy of a blank of a train order in use soon after the opening of the railroad to Binghamton, in 1849, will give an idea of how operations were conducted before the days of the telegraph. H. C. Seymour was then superintendent:

Conductor . . . . ., with engine No. . . . , will leave the Delaware Station at 6 o'clock A.M., on the . . . day of . . . . His train will consist of . . . . Box and . . . . Flat Cars, and which he will distribute as follows: (*Blanks for instructions.*)—He will take a supply of water for the engine at . . . . . and . . . . . On arrival at the Callicoon he will expect to meet . . . . train from the West, which train he will wait for until . . . . ., when, if the train has not arrived, he will proceed carefully, expecting to meet it at any point. Upon arrival at Binghamton he will report to Agent . . . . ., and receive order for his return.

. . . . . Supt.

#### EXTRAORDINARY ACCIDENT TO CONDUCTOR COE LITTLE'S STOCK TRAIN.

In the early days of Erie, live-stock transportation was one of the railroad's big items of traffic. Trains half a mile long, loaded with horned cattle, horses, sheep, and hogs, used to pass over the road two or three times a day. Such a thing as a live-stock train is almost a curiosity nowadays. Coe Little was conductor of one of the stock-trains between Susquehanna and Port Jervis. He left Susquehanna one night with a long train of cattle cars. Those trains were next to passenger trains in class, and were run over the road a-bumming. Conductor Little delivered his train at Port Jervis on time, and handed in his way-bills, which he had received at Susquehanna, and on which the number, character, and contents of every car in his train were recorded. When the agent at Port Jervis compared Little's train with his voucher, one car was missing. The car was entered on the way-bill as having left Susquehanna all right. Its place, according to the bill, was near the middle of the train, but it was not in the train at all at Port Jervis.

Conductor Little declared that every car was in the train

when he left Susquehanna, for he had checked the number of each one on the way-bill himself. He certainly had not delivered the missing car to anyone on the way, and he couldn't see how anyone could have sneaked in and stolen it, especially as the train had been on the move pretty much all the time between Susquehanna and Port Jervis. A telegram was sent to the agent at Susquehanna, asking for information about the missing car. The reply was that nothing was known there that could throw any light on the subject; quite the contrary, for the agent corroborated Little's report. When the train left Susquehanna the missing car was part of it.

During the efforts of the puzzled railroad men at Port Jervis to solve the mystery of the lost car, someone discovered that the car that should have been behind the missing one was coupled to the car that should have been just ahead of the lost car, and without the aid of a coupling pin at that, the link being broken in such a way that it had become a hook, which was fast in the pin-hole in the coupler of the other car. This certainly did not help matters. It deepened the mystery.

They were still absorbed in efforts at Port Jervis to solve the problem, and a car-tracer was about to be sent back over the road to search for the car, when a telegram came from Chauncey Thomas, the agent at Shohola, sixteen miles west of Port Jervis. Agent Thomas said, in effect, that somebody's cattle car was astray in a field along the Delaware River just west of Shohola station, and that he had better come and look after it. The wrecking gang was sent up from Port Jervis, and, sure enough, in the middle of a field, 100 feet or more from the railroad, stood the missing cattle car, right as a trivet, except that its doors were open and its cattle gone. To get where it was the car had run down a ten-foot embankment, across a wagon road, and through a stout rail fence.

There was only one way to explain the freak of the car in quitting its train so unceremoniously. Going east along that part of the Erie, the track is down grade. Just before reaching Shohola the coupling-pin that held the car to the one ahead of it must have broken. This divided the train in two parts. The head car of the rear part jumped the track, and breaking the link that held it to the car behind it, went down the bank, getting out of the way of the cars following on the track. When the leading section of the divided train got to the foot of the grade, its speed slackened. The following section caught up with it and ran into the rear car, but not with force sufficient to do any damage or attract attention. The broken link, then a hook, happened to fall into the pin-hole of the coupler ahead of it. The train was thus recoupled, and went on to Port Jervis without the loss of a car from its very centre having been discovered by anyone.

Whether the doors of the fugitive car were broken by the jar and jolt of its trip down the bank, through the fence, and across the lot, or whether the cattle inside had kicked them open, does not matter. The doors were open, and the cattle were gone. It was winter, and the Delaware River, only a short distance away, was filled with running ice. The cat-

tle must have been in a panic, for they had plunged into that icy flood and made their way across the river into Sullivan County, N. Y. Searchers, accompanied by the drover who owned them, found and recovered them all, and not one had received injury.

There is no parallel to this one in the record of mishaps to railroad trains, and it never ceased to be a wonder to the old-time Erie trainmen.

#### THEY FORGOT THE BABY.

One evening in the summer of 1850, as the train west was leaving Barton Station, on the Susquehanna Division, Conductor C. L. Robinson saw a man and a woman, who had left the train at Barton, running wildly after the train. They yelled :

"Stop ! stop ! for God's sake ! We've forgotten our baby !"

The conductor pulled the bell-cord and the train stopped. The man rushed into one of the cars, and there, sure enough, on one of the seats lay a chubby baby, all unconscious of the fact that its parents had left the car and forgotten it.

#### OLD-TIME ERIE GRATITUDE.

One day in the spring of 1854, Mrs. Silas Horton, living near Owego, waved a pair of red flannel drawers and saved the mail train on the Erie from being dashed to pieces by running over a tree that had fallen across the track. President Ramsdell wrote as follows to Mr. and Mrs. Horton, expressing the thanks of the Company, and transmitting a dress for Mrs. Horton, together with a life pass for each over the road :

OFFICE OF THE N. Y. & E. R. R. CO., }  
NEW YORK, June 20, 1854. }

To Mr. and Mrs. Silas Horton :

My attention has been called to an article in the *Binghamton Republican*, which is corroborated by the officers of this Company, relative of the noble and humane conduct evinced by you, on an occasion when the lives and safety of the persons travelling on our mail train were jeopardized by an obstruction on the road, and but for your active and prompt action, in all probability, much suffering and loss would have ensued.

In view of the above facts, and for the purpose of evincing our gratitude and appreciation of the valuable services rendered, and as a slight testimonial of the respect and esteem of this Company, I have the pleasure to forward herewith a pass for each of you, and a dress for Mrs. Horton, and respectfully request your acceptance of the same.

Allow me to express the hope that in your journeys over the road and through life, you may find friends as zealous in guarding you from danger as you were others on the occasion referred to.

Yours respectfully,

HOMER RAMSDELL, *President*.

#### DAMAGES WERE PROMPTLY SETTLED FOR, FORTY YEARS AGO.

One day, just before the Christmas holidays of 1856, a Miss Belknap, on her way to spend the festive season with

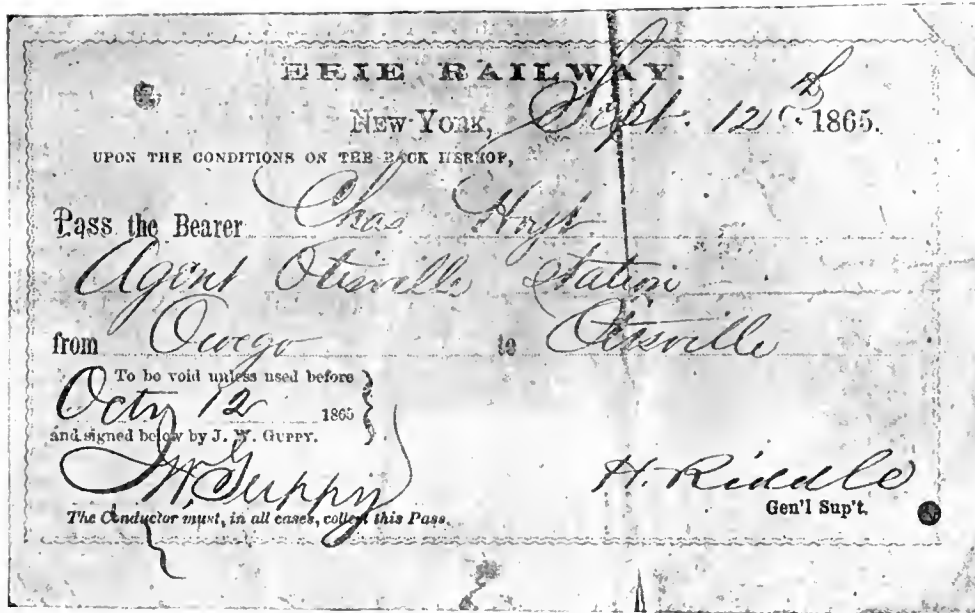
friends in New York, was a passenger on an Erie train from Newburgh. She had her wardrobe in a large carpet bag (they were not grips or satchels in those days), which she placed in the rack over her seat, and not far from one of the ventilators. During the trip there was a smell of burning cloth in the car that could not be accounted for, although it elicited considerable inquiry. On arriving at Jersey City, the lady reached for her carpet bag, when she found that instead of her presumably rich silk robes and fine laces and snowy-white night gowns, she had a bag of ashes and a mass of black cinders. The whole of her wardrobe was burned, but so confined had been the fire that the cloth had charred without blazing ; but the ruin was complete, and the lady declared that her visit was spoiled, as well as her clothes. Upon examination, the conductor concluded that the accident had been caused by a spark from the locomotive entering at the ventilator. He calmed the lady's disturbed mind by assuring her that he thought the Company would make good her loss, and asked her to prepare a list of her destroyed property, with an estimate of its value, which she did. She placed the damage at \$60. The conductor made a report of the case, and the documents were presented at the Company's office in the Erie building, at the foot of Duane Street. The claim was approved forthwith, and it was paid, the claimant being delayed but a few minutes.

#### A CONSIDERATE AND GENEROUS BOARD OF DIRECTORS.

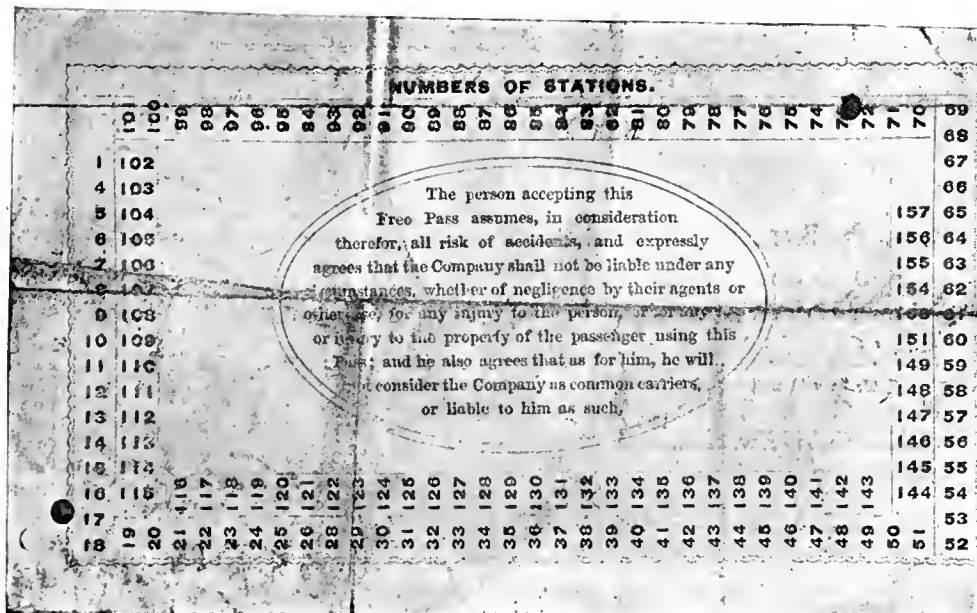
One day early in August, 1856, a girl named McGraff, through her own carelessness, was injured by a locomotive near Sloatsburg, Rockland, N. Y. Her parents being poor, the attention of President Ramsdell was called to her case by a citizen of Goshen. President Ramsdell, at the next meeting of the Board of Directors, mentioned the incident, and a number of the Directors made up a purse of \$45 out of their own pockets and forwarded it to the McGraff family, with a letter expressing their regrets for the mishap. If a board of railroad directors of to-day should be moved to such an act as that, people could go to bed assured that the millennium had dawned.

#### MCCALLUM AND THE BAGGAGE SMASHERS.

D. C. McCallum was general superintendent of the New York and Erie Railroad in 1856. According to the local papers of that day, the "baggage smasher" was even then a terror to the travelling public, and Superintendent McCallum had the temerity to issue an order that employees of the Company must handle the baggage of passengers with the utmost care, under pain of instant dismissal if the order was disregarded, travellers being requested to call the attention of the superintendent to any case of "baggage smashing" that came under their notice. Such an order as that to-day would be considered as a good cause for a general indigna-



(Obverse.)

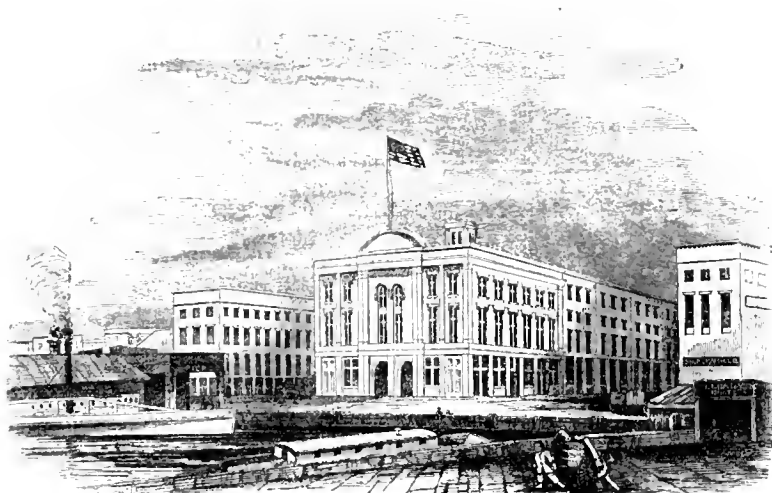


(Reverse.)

tion meeting of baggage handlers, and as an infringement of their rights, warranting them to strike in a body and demand redress.

#### LET THE CARS CUT HIS HEAD OFF.

Charles Ellison, a young man living in the town of Monroe, Orange County, N. Y., August 20, 1857, stepped into Turner's Hotel, at Turner's Station, intoxicated. He called for liquor. It was refused him.



THE ORIGINAL ERIE BUILDING AND DOCKS—1848. FROM AN OLD PRINT.

"If you don't let me have a drink," he said to the bartender, "I will kill myself!"

He was still refused. He walked out to the railroad track, waited until a train approached, and when it was near, placed his neck across the rail. His head was severed from his body.

#### BRAKEMAN JOHN GRAY'S TERRIFIC FLYING LEAP.

November 29, 1859, as a freight train was passing over the Conawacta Bridge, at Lanesboro, Pa., an axle on one of the cars broke, and nine of the cars became detached from the locomotive and plunged from the bridge, fifty-two feet, to the ground below. John Gray, of Port Jervis, a brakeman, was the only person on that part of the train. He was standing on the top of the last car that left the bridge, and jumped from it at the instant it was going over. He landed on the ground fifty feet beyond where the car fell, and one hundred feet from the point where he made the leap—a frightful flying leap through the air. Instead of being instantly killed, he lived five days with both arms broken, his shoulder dislocated, and his body terribly mangled.

#### FIRST RAILWAY MAIL SERVICE.

Stephen Sweet, of Middletown, was agent of the stage company that ran in connection with the railroad, taking care of the mails and passengers. The stage line had the gov-

ernment contract for carrying the mails, and a mail agent travelled on the railroad from New York to look after them. The first agent, in 1841, was James H. Reynolds, who was succeeded by Leander Millspaugh. Tickets were sold in New York over the railroad and the stage line.

In October, 1845, the Erie itself made a contract for carrying the mails. The first agent's name was Robinson. The cars then ran only as far Middletown. The agent's duties were to receive and mail letters deposited in the car at the different stations, and deliver mail on which postage was prepaid at all regular stopping places. This was the beginning of railway mail service on the Erie.

#### THE ORIGINAL ERIE BUILDING.

For twenty years the Erie's general offices were quartered amply in the building that occupies the block at West, Duane, and Reade streets, New York. That ground was leased from the city by the Company, January 1, 1848, for a term of ninety-nine years. The building, and the docks along the water front, were finished the same year.

#### THE GORGEOUS GOULD AND FISK QUARTERS.

The original Erie Building was occupied by the general offices of the Company until 1869. November 7, 1868, Gould and Fisk purchased Pike's Opera House, then recently erected, at the corner of Twenty-third Street and Eighth Avenue, New York, and the next year began fitting the building up for the Erie headquarters and leased it to the Company. "For months past," as a New York newspaper of August 25, 1869, declared in a description of the new quarters, "workmen have been industriously preparing the place. There are two entrances to these offices, the main one being on Twenty-third Street. The public passing by on Eighth Avenue will be struck by the magnificence of these. The ceilings are high, and, as well as the walls, are admirably frescoed.

"Going up the Twenty-third Street entrance, the visitor finds the staircase grand. The woodwork and the walls of marble are elaborate. Arriving upon the second floor a huge, admirably carved door swings open upon such a spectacle as was never before witnessed in any business place; in fact, there are but few palaces wherein so rich a *coupe d'œil* could be presented as that of the main offices of the Erie Railway Company. The carved woodwork, the stained and cut glass of the partitions, the gilded balustrades, the splendid gas fixtures, and, above all, the artistic frescoes upon the walls and ceilings, create astonishment and admiration at such a blending of the splendid and practical. On this main floor are the private offices of Mr. Fisk, Comptroller; Mr. Gould, President; Mr. Otis, the Secretary of the Company. There is a large, handsome room for the Board of Directors. The Vice-President and his clerks, the Counsellor of the

Company, and the General Superintendent and his clerks occupy rooms on the same floor. The private offices of Mr. Gould, Mr. Fisk and Mr. Otis are fitted up superbly. In each are every possible requirement—telegraphic communication with all parts of the house—such desks as a coquette might desire for her boudoir, so ornamented and tastefully arranged are they—furniture of the most comfortable description, and elegant mirrors, statuary, etc. The room for the Board of Directors is also comfortably and splendidly furnished. The woodwork and furniture were made by Marcotte, and are rich and costly.

"On the third floor are the offices of the General Freight Agent and Ticket Agent. These rooms are elegantly arranged.

"On the fourth floor is the Auditor's Department and the Engineer's Department. There are back of these public offices, on the fourth floor, the rooms for the janitors and those of the servants who reside in the building. The kitchens, store-rooms and pantries are back of these. Even up to the top of the house the rooms are airy and very large—the high ceilings all appropriately frescoed.

"There are in the basement very large and complete printing offices, storage rooms, telegraphic departments, steam engines, boilers for heating the house and running the machinery. A most important feature of these new offices is the safe, which has cost over \$30,000. It is seven stories high, each totally unconnected, and is built upon a solid foundation of granite. Rising to the very roof of the main building, this immense safe is so constructed that were the Grand Opera House to be burned to the ground, the safe would stand. It is reared within the house, but in no wise is connected with it.

"Throughout the new offices are the most complete arrangements for the comfort of those who will occupy them. The managers have a dining-room, the employees have theirs, and a *chef de cuisine* of acknowledged capacity will provide their daily meals: Dumb waiters will go from the kitchen to every floor. In short, nothing has been overlooked in rendering these new offices as commodious as they are magnificent.

"On the decorations of the rooms the highest praise can be bestowed. Garibaldi, who executed the frescoes, is well known here as an artist of rare talent. In the Academy of Music, in Booth's Theatre, in the Grand Opera House, he has given evidences of this fact, but nowhere more so than on the ceilings and walls of the new Erie offices has he proved how very artistic he can be. Mr. Fisk, who planned and has superintended the arrangement of the palatial offices in question, has certainly reason to be proud of the result, there being nowhere in this country or in Europe anything of the kind to compare with these splendid rooms."

In those palatial quarters the Erie offices were housed until December, 1875, when H. J. Jewett had come to the control of Erie, and he removed the offices back to the original old Erie Building in West Street. In 1880, the quarters being too much cramped for the increase in force made necessary by the increase in railroad and railroad business, the company leased five floors in the Coal and Iron Exchange Build-

ing, at Church and Cortlandt Streets. The Erie general offices are still in that building, although much more modestly housed than in President Jewett's time.

In 1872, when Gould made his "restitution" to the Company, he included the Opera House in the property turned over to the Erie, Fisk's widow having relinquished the half interest her husband had in the property at Gould's request. The property was reconveyed to Gould in December, 1881, by the Company at a valuation of \$700,000, being more than \$500,000 less than the Company had allowed him for it in 1872. The consideration was a transfer to the Company of all Gould's interest in the Erie coal properties.

#### FIRST ERIE DINING-STATIONS.

The first building intended to be used for dining purposes along the line of the Erie was built at what is now Sterlington, about twenty miles from Piermont, before the railroad was yet finished as far as that. It was put up by speculative persons connected with the Company, on the belief that after people had travelled twenty-four miles by boat and twenty miles by rail, they would be hungry, and welcome a spot where they could get something to eat. The building was a pretentious affair architecturally, but not large. But it proved that travellers did not seem to have taken on appetite enough after a trip of that distance to patronize the pioneer dining-place, and it was never used for the purpose for which it was built. The Peter Turner place, at Turner's Station, some miles further on, was apparently just the right distance from New York to have whetted the appetite of the patrons of the road, and their demands made of this place the first dining-station to come into existence along the railroad. For years the wants of the travelling public were catered to so sumptuously and excellently, that Turner's became famous the country over as a dining-station, in spite of the unpretentious, homely appearance of the caravansary where the meals were served; and all through trains, east and west, that arrived there anywhere near a suitable meal time, stopped there for meals. Peter Turner died, and his son James succeeded to the famous old dining-saloon. During Nathaniel Marsh's administration, the building of an immense dining-station at Turner's was begun by the Company, and it was completed during the administration of President Berdell. It was of brick. It was three stories high and 400 feet long, situated between the east and westbound tracks, fifty yards east of the old Turner's dining-saloon. The railroad offices were also in the building, which was fitted up sumptuously as a hotel as well as a dining-saloon. The dining-room would seat 200 guests, and the lunch-counter was of proportionate capacity. There was not another such place on the line of any railroad in the country. Experienced hotel men at various times leased it and conducted it, but never at a profit. It was a favorite retreat of James Fisk, Jr.'s, who, with special train-loads of boon companions, chiefly of the gentler sex, was wont to entertain lavishly there in his palmy days in Erie. The place was called the

Orange Hotel. After the days of Gould and Fisk, the glory of the famous dining-place began to wane, and it was rapidly becoming a spot of solitude amid splendor, when, on the night of December 26, 1873, it was completely destroyed by fire. The building and its furnishings had cost \$350,000. For years its charred ruins disfigured the landscape thereabout, and, during Jewett's time, were at last cleared away. To-day the spot is covered with railroad tracks, and not a thing remains to remind this generation of the splendor and folly that once ruled there.

The second dining-saloon on the Erie was at the Port Jervis station. It was started soon after the railroad reached there. Its first proprietors were J. W. Meginnes and James Lytle. Lytle retired from the firm, and Meginnes ran it until 1857, when he died. His widow conducted it a short time, when S. O. Dimmick took it and ran it until Port Jervis was abandoned as a regular dining-place in 1869.

Narrowsburg became a dining-place when the railroad was opened to Binghamton. It was conducted by Major Fields, and acquired much fame by the fact that the grand excursion over the railroad, May 14, 1851, on the occasion of the opening to Dunkirk, dined there *en route*, on that day. At that dinner, President Fillmore and members of his cabinet, Daniel Webster among them, and scores of other notable men of that day, sat down, and made the wayside dining-hall echo with their after-dinner eloquence. Narrowsburg became a famous Erie dining-place, and was conducted later by Commodore C. Murray and afterward by his sons, C. H. and H. C. Murray, for many years, when the Company abandoned Narrowsburg as a regular dining-station.

Later, Deposit became a dining-station, and Owego, Elmira, Hornellsville, Olean, and Dunkirk had large depot dining-saloons for many years after 1851. Susquehanna was made a leading and regular dining-place early in the 60s, and the Company erected the immense and costly station building there. This dining-saloon was one of the notable ones of the country for more than a quarter of a century. The Erie dining-saloon at Hornellsville also became famous, and is remembered to this day by travellers for its delicious waffles.

The coming of the dining and hotel cars on the road destroyed the general usefulness of the station dining-saloons. They became unprofitable, and the greatest of them now depend chiefly on their lunch counters.

#### EVOLUTION IN THE PASSENGER SERVICE.

In May, 1852, Henry Fitch resigned as general ticket agent of the Erie. He was succeeded by George L. Dunlap. In 1857 Mr. Dunlap retired from the railroad business and went to Chicago, where he made a fortune in real estate, and where he still lives. He was succeeded by C. B. Greenough. In 1862 Mr. Greenough left the Erie, and went to Brazil, from the government of which country he had obtained liberal concessions for constructing street railways. He made a fortune there, but died in Rio Janeiro. Following Mr. Greenough

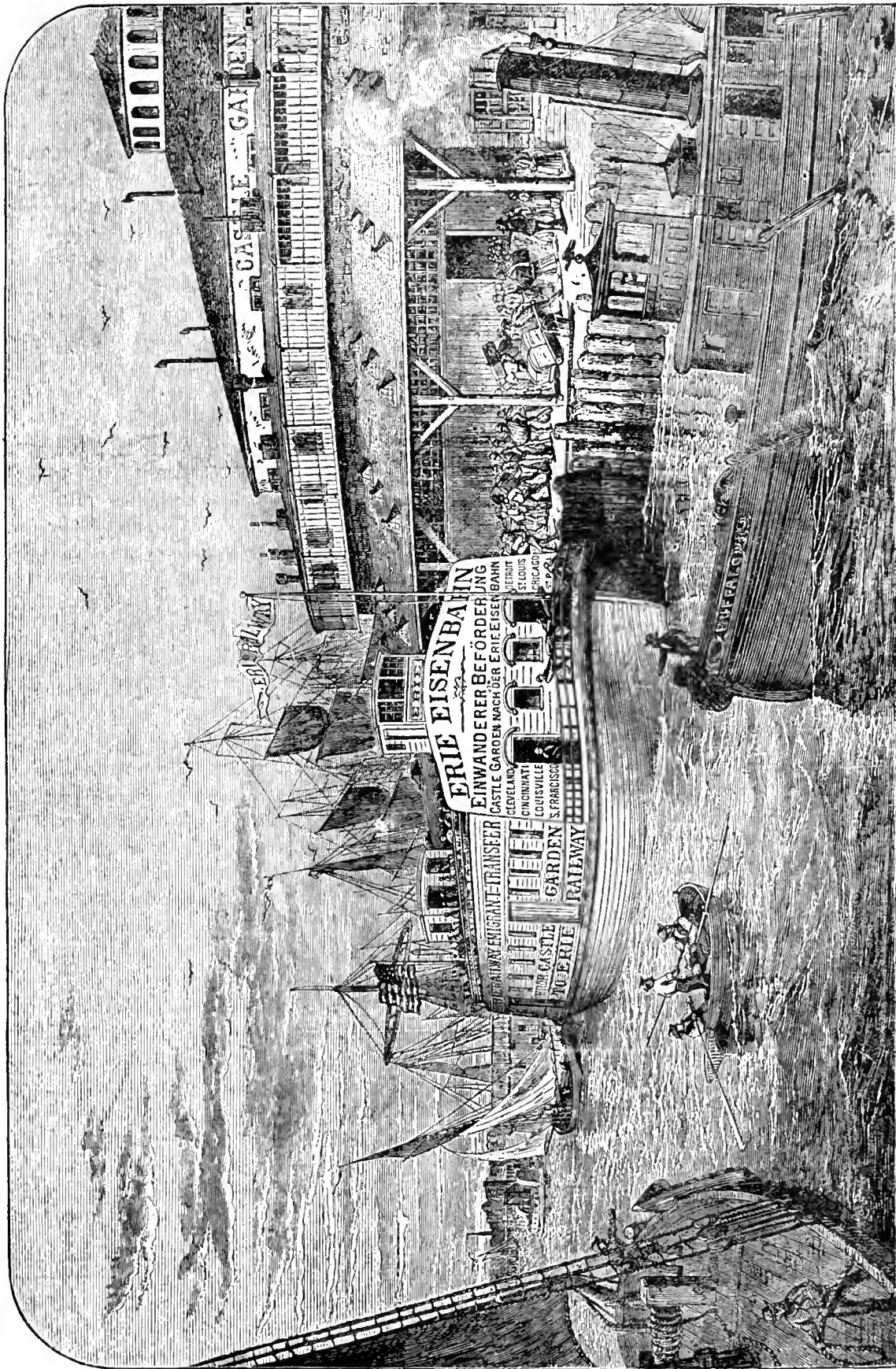
came William R. Barr. When he came to the Erie, Mr. Barr was and had been for several years general agent at Buffalo of the Buffalo and Erie, the Cleveland, Painesville and Ashtabula, the Cleveland and Toledo, and the Michigan Southern and Northern Indiana railways, the independent lines that were subsequently consolidated as the Lake Shore and Michigan Southern. He remained at the head of the Erie passenger department until June, 1872, when he was succeeded by John N. Abbott, who had been assistant general passenger agent since 1869.

The general passenger agents were not much in evidence as factors in the management of the Company's business until the time of Barr. There had been several serious rate wars since the opening of the railroad to Dunkirk, but the general passenger agent's name never appeared to indicate that the head of that department even so much as made a suggestion. The president, the secretary, the general superintendent, or frequently some prominent director, usually figured as the one in charge of the business of fixing rates or originating methods of conducting the passenger department. The general passenger agent's name had never appeared on an official time-table until the Barr incumbency of the office. Under Barr the individuality of the passenger department was brought out so that it stood publicly in stronger contrast to the operating department, with an indication that it was not subordinate to that department.

It was not, however, until Mr. Barr's successor, John N. Abbott, had been appointed, that reform principles and methods of conducting the immigrant business were introduced and made effective in improving the revenues of the Erie Company, safeguarding the immigrants and commercially protecting the interests of the port of New York against unfair competition through other ports for this valuable traffic. This was accomplished by a master stroke on the part of Mr. Abbott in negotiating contracts with the leading transatlantic steamship lines, in 1873, under which immigrants should be carried from their old homes in Europe to their new homes in America upon as favorable fares and conditions via the port of New York as should exist from time to time through any other Atlantic seaport, and were consigned to and placed under the protecting care of the Erie Company in Castle Garden, where they were shielded from the wiles and solicitations of runners and sharpers, and, when ready to start for the West, instead of being loaded upon baggage wagons or compelled to find their own way to the railway station, were carried in a commodious emigrant barge direct from Castle Garden to the Erie immigrant station and trains at Jersey City.

The Commissioners of Emigration of the State of New York adopted resolutions commendatory of this new, humane, and protective system after it had been successfully inaugurated.

The details of these arrangements were efficiently administered by Nicholas Muller, who was appointed emigrant agent of the Erie in 1873. This alliance between the Erie and the steamship lines continued until the emigrant busi-



CASTLE GARDEN IN THE OLD ERIE IMMIGRANT DAYS. A SCENE NOW PAST AND GONE FOREVER

ness of all the railroad lines was pooled in 1883, and the other lines may be said to have had, during all those years, only such of the immigrant traffic as the Erie could not carry.

Emigrant Agent Muller was succeeded in 1880 by John W. Romaine, who remained in office until the pooling arrangement took the direct and independent management of the business out of the charge of the passenger departments in 1883.

Improvement in the local or suburban passenger traffic was begun under the administration of Mr. Abbott, but his efforts were not seconded with any degree of earnestness by any of the managements until that of John King. Since then it has been made a special point of attention, and under the management of D. I. Roberts, who became general passenger agent in 1891, this branch of the Erie's passenger traffic has been brought to a degree of importance that makes it of unvarying and increasing profit to the Company and benefit to the public.

James Buckley belongs peculiarly to the history of the passenger department of the Erie. He has been in its service more than a generation, and for twenty-five years has been its general Eastern passenger agent, with headquarters at New York.

Pullman cars first came on the Erie June 1, 1872, under the Dix administration, among them hotel dining-cars. Previous to that the sleeping and drawing-room cars were of the Erie's own make.

Air brakes were introduced on the Erie August 14, 1869. They were the Guthrie vacuum brakes, and were experimented with successfully on the local train known as the "Middle-town Way." This was the forerunner of the present system of safety brakes.

Lighting the cars with gas was begun June 15, 1881, when an experiment with the Pintsch system was successfully made on a special train run from Jersey City to Turner's.

The original Erie passenger trains consisted of never more than three cars. The regular through passengers trains on the Erie to-day (1898) average seven cars, and seventeen cars in a train are not unusual.

#### FIRST TRAIN-WRECKERS.

During the last week in November, 1862, the track-walker on the section of railroad near Andover, N. Y., on the Western Division, found obstructions on the track, so placed and at such an hour that it was evident they had been put there to wreck a passenger-train. This being reported, a watch was set, and about 9 o'clock on the night of Friday, November 26th, a few minutes before the express train, moving east, was due, two persons were discovered going on to the railroad, one of them carrying a log-chain. Near the track was a portion of a wrecked gravel car, having one pair of wheels attached. The men placed this on the track over a culvert, on a curve in the road, and fastened it to the ties with this log-chain. The citizens who were on the watch pounced upon the men and arrested them at once. They were committed to jail at Angelica. They proved to be George Palmer, a cabinet-maker, and Samuel Allen, a blacksmith.

Palmer and Allen were tried and convicted on the charge of train-wrecking, February 3, 1853, before County Judge Lucien P. Wetherby. They were sentenced to four years in the Auburn Penitentiary. Palmer was twenty-five years old, and Allen, twenty-one. This was the first attempt at deliberate train-wrecking on record in this country.

#### MEMORABLE AND DISASTROUS STRIKES.

1854.

D. C. McCallum, superintendent of the Susquehanna Division, drafted a code of rules regulating the running of trains, which he submitted to the Directors of the Company early in 1854. They were pleased with it, and officially adopted it as supplementary to the existing rules. Charles Minot was then the general superintendent. The McCallum rules were adopted March 6, 1854, and Minot was directed to put them in force. He did not approve of some of them. He refused to promulgate the new code, and resigned.

Charles Minot had succeeded James P. Kirkwood as general superintendent May 1, 1850. He was born at Haverhill, Mass. His father was a judge of the Massachusetts Supreme Court. Charles Minot was educated for the law, but his mind was of a more practical bent, and he learned to be an engineer on the Boston and Maine Railroad, of which railroad he subsequently became superintendent. He was one of the first to learn telegraphy, and his knowledge of that new science stood him well in his career as superintendent of the Erie, as we have seen in the account of his adapting the telegraph to the use of the railroad. He came to the Erie from the Boston and Maine Railroad. The Erie was then in operation as far west as Elmira.

Charles Minot was a large, fleshy man, very democratic in his manner with his men, meeting them always on an apparent equality. He was a bluff and rude man in his speech, and hasty of temper. A peculiarity of his character was that if he summoned any of the men to his office to "blow them up," he would deliver his pent-up feelings on the first person who happened to come in, although that one was in no way concerned in the trouble on hand, and perhaps knew nothing about it. Minot's mind relieved, all would be serene again, and when the man he had summoned came in, he would be dismissed without a word.

Superintendent Minot was continually travelling over the road. He had no special car or retainers, such as general superintendents of to-day are sumptuously equipped with. "Any car is good enough for me," Minot used to say. He frequently travelled with the pay car, to save expense. Until one day in the summer of 1853, he invariably travelled with his car ahead of the engine. He acknowledged that this was a dangerous thing to do, but he said "he could see things better." On the day in question, the car jumped the rails near Almond on the Western Division, at a high embankment there. With him on the car was President Homer Ramsdell and H. G. Brooks. Minot was a powerful man. He was standing on the platform as the car left the track.

President Ramsdell and Mr. Brooks rushed for the door to escape, but they never would have got out but for Minot, who seized the president with one hand and Brooks with the other, dragged them through the door, and jumped from the car with them just as it toppled over the bank. That was the last trip Minot ever took over the road with his car in front of the locomotive.

The democratic manner of Superintendent Minot had made him objectionable to a number of the Directors long before he declined to enforce the McCallum rules, among them President Ramsdell, so although he had proved himself

Trouble was not long in following. The engineers objected to the new order of things, particularly to Rule 6 of the McCallum code, which declared that every engineer would be held responsible for running off a switch at a station where he stopped, whether he should run off before or after receiving a signal to go forward from a switchman or any other person. The engineer, under this rule, was expected to see for himself whether the switch was right or not, and take no person's authority for the same at stations where trains stopped. The engineer, however, had a right to run past stations where he did not stop at a rate he was willing to hazard on his own



CHARLES MINOT AND STAFF—1864.

H. B. SMITH,  
*Supt. Susq. Div.*

S. BOWLES,  
*Supt. Buff. Div.*

H. C. FISK   J. W. GUPPY,  
*Supt. Roch. Div.   Asst. Gen. Supt.*

CHAS. MINOT,  
*Gen. Supt.*

H. RIDDLE,  
*Supt. Del. Div.*

H. HOBBS,  
*Supt. East. Div.*

H. G. BROOKS,  
*Supt. West. Div.*

a capable railroad man, his withdrawal in favor of the strict disciplinarian, McCallum, was agreeable to that element in the Board in more ways than one—but it was costly to the Erie. Minot went from the Erie to the Michigan Southern Railroad, as general manager, a place he held until December, 1859. Then he was recalled to the general superintendency of the Erie. He remained at the head of the operative department until December 31, 1864, when he was succeeded by Hugh Riddle. For a time Mr. Minot held an office with the Company known as consulting engineer, but he retired from that and returned to his native place, where he died.

D. C. McCallum took charge as general superintendent May 1, 1854, and his new rules were at once put in force.

account, the Company reserving the right to decide whether such running was reckless or not. "The road must be run safe first and fast afterward," the management declared.

The engineers also protested against the alleged "posting rule" of the Company, under which notices of dismissal of engineers was at once posted with other railroad companies to the injury of the men.

An abrogation of the distasteful rules was requested, June 15th, by a committee, consisting of John Donohue, William Schrier, and John C. Meginnis. Superintendent McCallum's explanation and reply not being satisfactory, the engineers struck on June 17th—the first strike in the history of the railroad. The Company gave notice to all the men that all who returned to work within three days after June 20th would

be retained in the Company's employ. All others would be dismissed from the service. So few returned to work, and the Company not being in condition to maintain a struggle with its engineers, and the business of the road being at a standstill, June 24th Superintendent McCallum addressed this letter to the strikers' committee:

NEW YORK AND ERIE RAILROAD,  
OFFICE OF GENERAL SUPERINTENDENT,  
NEW YORK, June 24, 1854.

To John Donohue, Wm. Schrier, John C. Meginnis, Committee.

GENTLEMEN: I have explained Rule 6, Supplementary Instructions of May 15th, as follows:

The rule simply means this, that the engineer is responsible for the running off at a switch at a station where his train stops, whether he shall run off before or after receiving a signal to go forward from a switchman or any other person. But no engineer shall be discharged under such circumstances, without a full hearing of the case, or unless it can be clearly shown that he ran off through his own carelessness.

By reference to what I called the Posting Rules I would again say that it has not been extended except to the several divisions of this road, in all of which this Company has a financial interest, and that we have no intention of extending it further.

Respectfully yours,

D. C. McCALLUM,  
General Superintendent.

To which the committee replied:

SUSQUEHANNA DEPOT, June 26th.

D. C. McCallum, Esq., General Superintendent N. Y. & E.R. R.:

At a meeting of the engineers of the New York and Erie Railroad, held at the United States Hotel, to hear the report of the committee, upon hearing which report and reading the letter of D. C. McCallum, it was unanimously

*Resolved*, That the letter of D. C. McCallum, Esq., to this committee, as read before our committee this day, in addition to the verbal statement of Mr. McCallum to the committee, we decide satisfactory.

*Resolved*, That we present to our committee our warmest thanks for the constant manner in which they have performed all the arduous duties imposed upon them.

*Resolved*, That we make every effort to resume our work.

*Resolved*, That the committee immediately inform Mr. McCallum of our action at this meeting.

JOHN DONOHUE, }  
WM. SCHRIER, } Committee.  
JOHN C. MEGINNES, }

It was an easy matter to return to work, and thus the first strike on the Erie was settled after ten days' paralysis of the business of the railroad, and a loss of many thousands of dollars to the Company.

The engineer over whose case the strike resulted was Benjamin Hafner of the Eastern Division. On the evening of June 10th he ran off a switch at Turner's. He was dismissed. After he was dismissed Hafner was sent for by Superintendent McCallum to talk about the incident. Hafner refused to go unless he was reinstated first. McCallum declined to reinstate him without a consultation. The matter was taken up by all the leading engineers on the Delaware and Eastern divisions, with the above result.

Some of the engineers did not join in the strike, among them Joe Meginnis. W. H. Power was then superintendent of the Delaware Division (division agent, it was then called), and he himself acted as engineer in efforts to run a train over that division, and succeeded in doing so in spite of the strikers, who assembled in crowds at the Port Jervis station, and had compelled every engineer who attempted to go out to dismount from his engine, except Joe Meginnis, who stuck to his engine through it all. He was opposed to strikes on principle.

1856.

Notwithstanding the assurances Superintendent McCallum had given the engineers in settling the strike in 1854, they professed to see strong evidences that he was not keeping faith with them. During a little more than two years following the strike twenty-nine engineers had been discharged for running off switches, which convinced the engineers that Rule No. 6 was being enforced in a way that violated the understanding of 1854. At last, one day about the middle of September, 1856, Samuel Tyler, an engineer on the Western Division, while in the Hornellsville yard with his engine, was given the "all right" signal by a switchman, and moving his locomotive in answer to this signal, found the switch wrong and backed off of it. Samuel Jillson, superintendent of the Western Division, chanced to be there, saw the mishap, and discharged Tyler on the spot. This brought the feeling of dissatisfaction among the engineers to a climax. A meeting at which delegates from each division were present was held at Hornellsville September 19th, to discuss the situation. The result of the meeting was the drafting of a bill of grievances, and the appointment of a committee to go to New York and lay it before the Board of Directors. The members of this committee were William Schrier, John C. Meginnis, John Hall, E. F. Whalen, H. G. Brooks, Henry Belden, Joseph York, I. C. York, Edward Tinney, and J. F. Olmstead.

They went to New York September 24th, and met six of the Directors, who asked for a week's postponement. The committee went the second time, October 1st, and were received by other Directors. Besides the obnoxious Rule 6 of the McCallum code, the engineers had a grievance in the fact that their pay while their engines were in shop undergoing repairs had been stopped under the McCallum superintendency, although they were ready for duty, and they asked that it be restored. They also asked that engineers from other railroads travelling over the Erie be allowed the same privilege as was allowed conductors of other railroads, which was free transportation when satisfactory credentials were shown to the train conductors. The engineers likewise took up the cause of their firemen, and asked that their pay be advanced to \$1.50 a day.

The document setting forth the grievances of the engineers was discussed at a meeting of the Board of Directors, and referred to a committee consisting of Richard Lathers,

Don Alonzo Cushman, William E. Dodge, Cornelius Smith, and E. J. Brown.

October 3d they made a voluminous report to the Board, disapproving of the petition of the engineers, and refusing their requests, "the most emphatic of which," said the report, "seems to be the abrogation of Rule 6, supplementary to general instructions of March 6, 1854, said demand being made by the persons upon whom it is intended to operate, which is as follows: 'Every engineer will be held accountable for running off at a switch at any station where his train stops, but will not be held responsible for running off at a switch at a station where his train does not stop.'"

In giving their reasons to the Board why no concessions should be made to the men, and in defending the rule complained of, the committee said that under the rule "the engineers were instructed that switchmen were placed at stopping stations for their convenience only, and were not to be relied upon for the safety of the train, and that engineers would be expected, in all cases, to see that the switches were right before they passed over them, and were also especially enjoined to take all the time necessary to run safe; in other words, to 'run safe first, and fast afterwards'; that they should always run into stopping places under the assumption that every switch was out of place, and a train standing on the main track. . . . In view of this state of things we beg leave to advise that you instruct our general superintendent to immediately discharge from the company's service the ten engineers representing themselves as a committee in this act of insubordination, and to fill their places with men who are willing to obey rules, and leave to the proper authority the duty of making them; and also to cause to be discharged all employees who refuse to serve the Company under and in complete obedience to the rules as they are, filling their places in like manner."

The report of the committee and the following were made public on the same day:

NEW YORK AND ERIE RAILROAD,  
OFFICE OF GENERAL SUPERINTENDENT,  
October 4, 1856.

WANTED—One hundred and fifty LOCOMOTIVE ENGINEERS, immediately. Applications to be made to the several Division Superintendents, or at this Office.

D. C. McCALLUM,  
*General Superintendent.*

The grievance committee being promptly discharged, they telegraphed the fact to the different divisions, and most of the engineers along the line quit work. The striking engineers published a reply to the report of the committee of Directors. The following extract from it throws much interesting light on the methods of railroading on the Erie forty-five years ago:

First, of rule sixth, they say this is a rule of safety, etc. Now let us say, as engineers, that this rule has not made the least particle of difference in our speed in approaching a station. We have shut off our steam at the same points, and, so far as we know, the brakemen

have applied their brakes just the same as before this rule went into effect. We ask you to look into this matter carefully, and see if this rule faithfully executed would not involve the Company in some hardship, if it did not the engineers. We will take some stations where there are from six to ten switches. It is night, and in the winter. The switch lights have gone out and we cannot see the targets. The first switch is a mile or three-fourths of a mile from the station. We stop still at that switch and get off our engines if we cannot see the rail (which, of course, we cannot, if there is from six inches to a foot of snow on it), and feel to see if the rails are right. After satisfying ourselves of that fact, we jump on to our engines again and jog along to the next switch, and go through with the same performance, and so on till we get within the limits of the station.

Will some practical man inform us whether we are allowed the time that this fol de rol would take up on the time-tables issued by the superintendent? And further, if this were done, or if we were to run slow enough over all switches at all stations between Jersey City and Dunkirk to stop our trains from running off the track, providing those switches were wrong, what kind of connections should we make with the Western trains at Dunkirk? We mean, of course, all stations where our trains stop. For it would be preposterous to suppose that passengers should get injured if our trains should run off at the rate of fifty miles an hour, at stations where our trains do not stop. Therefore, there being no danger of getting hurt at fifty miles an hour, we are not held responsible. There is no road in this country where this rule could be lived up to in the light Mr. McCallum holds us responsible, without ruining the business of the Company. Now we ask a fair and impartial answer to this question. Do the public really think that passengers would be likely to be injured any less by running off the track forty or fifty miles an hour at stations where our trains do not stop, than they would by running off five to twenty miles an hour at stations where our trains do stop?

This reply was signed by twenty-five of the leading engineers of the Western Division, eight from the Buffalo Division, and twenty-five from the Susquehanna Division. So few of the men remained at work that traffic on the railroad came to a standstill, contrary to the expectation of the Erie management. On the 6th of October, Superintendent McCallum advertised that the Company would pay a bonus of \$25 to every engineer who would resume work, and to engineers who would come new on the railroad. Very few responses were received to this offer. The result was that soon the engines were in charge of all sorts of artisans—stationary engineers, firemen apprentices, and any who had the least smattering of knowledge of a locomotive. Some competent men came from other railroads to take the places of the strikers, but not many. The striking engineers and their friends harassed the Company in many ways. There was developed a number of water supplies that were so impregnated with grease, soap, sal soda, or other substances so entirely at variance with the heated surface of the fire-box and flues as to be incapable of being kept in contact therewith, and being repelled therefrom, took the form of ether: in short, the boiler "foamed," and if the engine was in charge of an inexperienced man, the crown-sheet and flues would be ruined, while if the attempt, at that period of affairs, to inject water into it was successful, it was an almost certain thing that the boiler would be blown into fragments. Another peculiarity, not noticed before, was developed: a tendency on the part of bolts and nuts to work loose where

they were most needed to be tight and snug on the locomotives. This failing particularly affected the set-screws of the eccentrics, so that an engine would rarely travel over one or two miles before being incapacitated. Almost every locomotive with which the Company attempted to run trains, for a long time, the strikers managed to disable in some such way, in spite of the watchfulness of those who were put in charge of the Company's interest, until "able-bodied" engines were the exception. The cost to the Erie in this damage to property was enormous.

After a time, the Company persisting in its strike, although its railroad was nearly paralyzed at a critical time otherwise in the Company's affairs, many of the old and best engineers went to other railroads throughout the country, where they gave the Erie a name that cost it thousands of dollars in loss of patronage. One of the prime movers in the strike was Horatio G. Brooks. He went to the Ohio and Mississippi Railroad as master mechanic, and when Charles Minot returned to the Erie as superintendent in 1859, Brooks came back also, and became later superintendent of the Western Division, and subsequently master mechanic of the entire road. Most of the other old engineers returned when Minot was reappointed. It may be said that the strike never was settled, but after six months of almost constant disturbance and interruption to traffic, Superintendent McCallum resigned. The loss to the Company in actual outlay because of this strike was nearly half a million dollars. The damage to the Company by loss in traffic was incalculable, and was one of the main causes of its bankruptcy in 1859, it never having recovered from the direct and collateral consequences of the unfortunate conflict.

Daniel Craig McCallum was born at Renfrewshire, Scotland, in 1814. His father, Peter McCallum, who was a tailor, emigrated to this country in 1822, and settled in Rochester, N. Y. Not liking his father's trade, he left home with his entire wardrobe tied up in a handkerchief. He walked his way to Lundy's Lane, where he apprenticed himself to learn the trade of carpenter. He became a skilful architect, designing St. Joseph's Church, Odd Fellows Hall, the Mansion House Block, the Waverly Hotel, the House of Refuge, and other prominent buildings in Rochester. He developed a strong taste for mechanical engineering, and made rapid strides in his profession. He invented an inflexible arch truss for bridges, the use of which on various railroads brought him later an income of \$75,000 a year.

He entered the employ of the New York and Erie Railroad Company in 1848, and was appointed superintendent of the Susquehanna Division in October, 1852. As stated above, he was made general superintendent in May, 1854. February 25, 1857, he tendered his resignation, because "a respectable number" of the Directors differed with him in regard to "the discipline that had been pursued in the superintendence of the operations of the road." The resignation was accepted, but the Board of Directors gave him a letter of regret at parting with him, and President Ramsdell addressed

him a long personal letter, assuring him, in substance, that he was not one of the number in the management that did not approve of his discipline.

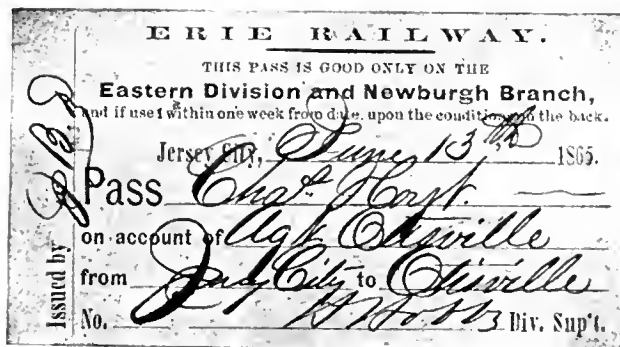
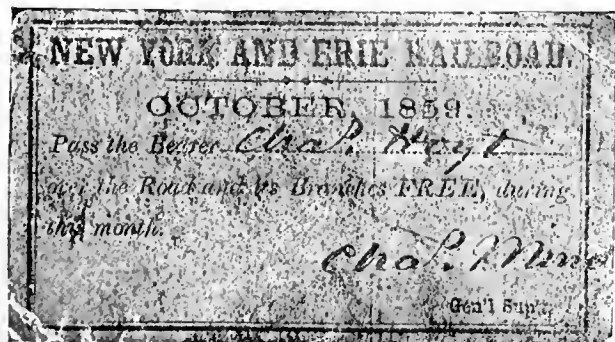
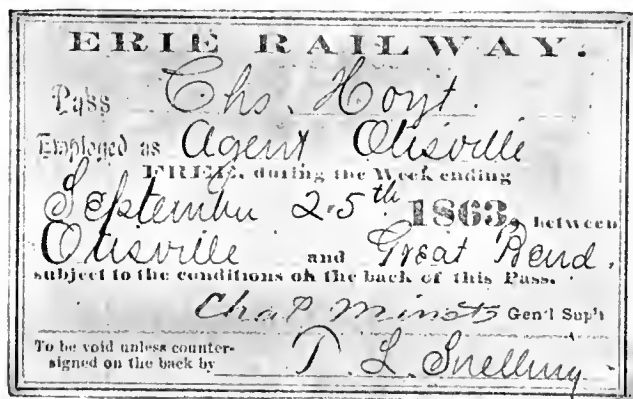
Ex-Superintendent McCallum devoted himself to his private business until 1862, when, February 1st of that year, he was appointed by Secretary Stanton military director and superintendent of the military railroads of the United States, with authority to take possession of all railroads and rolling stock that might be required for the transportation of troops, arms, military supplies, etc. He ranked as a colonel. He found only one railroad in possession of the Government—the one running from Washington to Alexandria. He speedily changed the state of affairs. His work in establishing the network of railroads that forwarded so materially the efforts of McClellan, Burnside, Hooker, Meade, and Grant, respectively, in the Peninsular campaign, at Fredericksburg, Chancellorsville, Gettysburg, and other fields, belongs to the history of the Civil War, where it is amply recorded. During his memorable work of hurrying troops forward to the rescue of Grant when he was cornered at Chancellorsville, he placed Gen. Carl Schurz under arrest for officious meddling with his plans. McCallum saved Grant at Chancellorsville, and was made a Brigadier-General by Stanton as a reward for his services on that occasion. General McCallum built 2,105 miles of new railroad and twenty-six bridges; and rebuilt 640 miles of old railroad, to meet the necessities of the Union army during the war, besides confiscating and opening to the service of the Northern generals the great network of old railroads without which our armies would have been powerless against the enemy. He expended \$42,000,000 of the Government money in his work, and accounted for every cent of it.

After the war, in 1865, he retired to private life, making his home at Glen Mary, at Owego, a place made famous by Nathaniel P. Willis, who lived there at one time, and where he built an elegant residence.

General McCallum was a poet of no mean order, one of his poems being "The Water Mill," known everywhere as a perennially popular one, the rendering of the refrain of which, "The mill will never grind again with the water that is past," has brought fame and dollars to many an elocutionist. When the Atlantic and Great Western Railroad was building he became consulting engineer. He subsequently removed to Brooklyn, where he died, December 27, 1878. The introduction of iron bridges had relegated his wooden truss bridge to practical uselessness in railroad construction, and his income from that source had been reduced to a small amount during the later years of his life, and he left but a modest fortune to his family, which consisted of four sons and two daughters.

1857.

Tuesday, December 1, 1857, by order of President Charles Moran, a reduction of wages and salaries of employees went into effect, owing to the hard times and the critical condition of the Company's affairs.



There were 250 laborers at the pier at Piermont, handling freight. They were divided into night and day gangs, and were known as laborers, checkers, tally clerks, porters, and stowers. Their pay had been \$1 per day. It was reduced to 90 cents for eleven hours' work. Six hours were reckoned half a day's work. Steady men could make from \$25 to \$30 a month at the old wages. President Moran was getting a salary of \$25,000 a year, and it was current all along the railroad that, owing to financial straits the Company was in, he was taking no chances, but was collecting his salary, *pro rata*, every day. When his order to reduce wages and salaries was issued, inquiry was made by the men as to whether the president had submitted to a reduction in his own great stipend. When it was learned that he had not, the feeling was bitter, and the laborers at the Piermont docks protested against the cut in their wages and quit work. The brakemen on that division of the railroad joined the laborers, as did the laborers along the division. Traffic came to a standstill.

Up to Saturday afternoon, December 5th, 200 carloads of freight from the West had accumulated at and above Piermont. A few straggling trains only departed for the West. They had to be loaded by the agents, clerks, and other non-striking employees. Only three or four cars were sent by each train, so that they could be easily controlled by the engineer, the conductor and flagmen acting as brakemen. Hugh Riddle, superintendent, and Dispatcher Watson themselves went out on trains as brakemen to help get them through.

The laborers, and those whose interests were closely connected with them, such as boarding-house keepers, grocers, etc., constituted nine-tenths of the population of Piermont, and there was such a combination among them that no new force that might be sent there to take the places of the strikers could find a night's lodging or a meal. The exposed situation of the dock, built out, as it was, a mile from the shore, with its freight sheds and offices at the extreme end, and a railroad track running the entire length, put it in the power of a disorderly and evil-disposed gang to inflict almost irreparable injury on the Company.

Wednesday evening, December 2d, the steamboat "Erie" was seen coming up the river, and a rumor was circulated that a new gang of laborers was on board. Immediately a fish-horn was sounded, and 300 men swarmed down upon the pier to prevent them from landing. It proved to be 300 emigrants bound West. The clerks and agent, assisted by the crew of the boat and such miscellaneous help as was at hand, transferred the baggage to the cars while the strikers stood by and jeered them. The train started on its way West, but it had proceeded only as far as the water-station, where it encountered a railroad bar spiked across the track, which threw the locomotive off and down a steep embankment, wrecking it badly. The cars narrowly escaped a similar fate by the breaking of the coupling, and as there were 300 emigrants on the train, many of them women and children, this narrow escape saved many lives.

A force was collected by the Company along the line of the road and sent to Piermont, ostensibly to take the places of the

strikers, but really for the purpose of frightening them into submission. No provision was made for their protection, and the result was that they had no sooner landed on the pier than they were attacked and driven off. Some were thrown off the pier into the river, and would have drowned but for the aid of men in boats who were spectators. The Company called upon the sheriff of Rockland County to protect its property and disperse the strikers. He summoned the Piermont Guards, who turned out to the number of twenty-five, in citizens' dress, with bayonets fixed and supplied with ball cartridge. Friday evening, December 4th, the steamer "Esquimaux" arrived at the pier from New York with about 100 men, escorted by twenty-five Metropolitan policemen. The sight of this force ahead and the military in the rear had the effect of cowing the strikers, but to avoid a collision the police remained on board the boat all night. Saturday morning they landed and were joined by the Piermont Guards. The martial array had the desired effect. About half the men returned to work at once, and at noon nearly all of them were back. The police, however, were detained over night, and the Piermont Guards slept on their arms. The brakemen held out until Saturday night, when they gave in and went to work. The emigrants who had been taken to Piermont by the police to replace the strikers were returned to New York Sunday. One thing that had its effect in conciliating the strikers was the declaration that President Moran had been removed by the Directors, which the men believed. The strike cost the Company half a million dollars.

1859.

March 15, 1859, the dock laborers at Piermont struck, not for an advance in wages nor against a reduction, but because they had not received any pay at all for three months. They were not the only employees that were months in arrears, but none of the others joined the strike. The Company, not caring to have a repetition of the costly experiences of 1857, and the strike being in every way justifiable, raised money enough to restore a measure of content to the men, and they resumed work after being idle only two days. But for the fact that the Company went into the hands of a receiver the following August, President Moran retiring, a strike in which the great body of employees all along the line would have joined, could not have been avoided much longer. There were then employees who had not received any pay for seven months. The receivership restored confidence and hope. No disturbance of relations occurred, and within three months all arrearages for labor, amounting to \$500,000, were paid.

1869.

May 10th, one brakeman of the three that made up the force of brakemen on each freight train on the Eastern Division was discharged by order from headquarters. The discharged men, and their sympathizers among the men who were not discharged, prevented the making up and get-

ting of trains out of the Port Jervis yard so effectually that operations on the division were practically suspended until May 13th, when the objectionable order was rescinded and the discharged men were reinstated. A large number of the brakemen urged the opportunity as a good one to continue the strike until wages were advanced to \$2 a day from \$1.75, but it was not agreed to by the majority.

The men who had urged this strike for increased wages continued to agitate the subject until they carried the day, and on May 28th the brakemen petitioned the company for an advance in pay to \$2 a day. No reply having been received to the request by June 6th, the men struck. June 7th, the brakemen on the Delaware Division joined them. This soon blockaded the Port Jervis yard with freight and coal trains. Superintendent Hobbs endeavored to replace the strikers with new men, but failed. The situation threatened became so serious to the Company that June 8th the demands of the men were acceded to and work was resumed. Before the news of the settlement of the strike reached the other division, the brakemen on the Susquehanna and Western divisions telegraphed that they had struck for \$2 a day, too. The Company granted the demand at once.

The brakemen claimed that the management also promised not to discharge any of the men who had been engaged in the strike; but early in November, however, a number of brakemen were discharged, and the men believed it was because they had been concerned in the strike of the previous May. The action was resented, and the Eastern Division brakemen struck in a body, November 8th, demanding the reinstatement of the discharged men. The usual blockade of freight quickly followed. There was no detention to passenger traffic. Gould and Fisk both went to Port Jervis to look after the Company's interests, and several hundred men were taken along to replace the strikers in the Company's employ. They also sent a strong force of men from New York, many of them notorious "toughs," who, as special deputy sheriffs in the employ of the Erie, acted in a manner that brought about collision between them and the strikers, and the peace of the community was greatly disturbed. The unfortunate situation continued until the latter part of November, the old men being gradually replaced by new, when the strikers were forced to submit. The strike came to an end November 30th, and the result was the usual one—a great loss of wages to the men, without gaining any point, and damaging disturbance of the Company's business for many days.

October 16th, the men in the Port Jervis shops struck against the irregular manner in which they had been paid their monthly wages, and demanded that the pay-day be fixed for the 15th of every month and their pay received on that day. The men in the Jersey City, Susquehanna, and Buffalo shops joined the strike. The strikers were discharged. The Company soon found that this was an unwise and costly policy, and after the shops had been idle ten days, President Gould held a conference at Port Jervis with a representative from each shop, and the demands of the men were acceded to, with a proviso that if by any cause it should happen that

it was impossible for the Company to pay at the 15th, it should be allowed ten days' grace, which the men agreed to. This satisfactory ending of what threatened to be a costly strike for both employer and employee was due to the dignified and cool-headed management of the employers at Port Jervis: Gen. Thomas Holt, Stott Mills, and Walter Harvey.

January 12, 1870, the paymaster did not appear at the Jersey City shops. The men did not wait until the "days of grace" were up, but struck on the 13th. The time was unfortunate for them, and they were compelled to return to their work, such of them as the Company would take back.

#### 1874.

During the winter the mechanics at the Susquehanna shops, more than 1,000 in number, had been working on three-quarter time. Their pay was much in arrears, and there was no fixed time for paying. February 3d the men struck for their back pay and a regular pay-day, and the matter was quickly settled by the Company fixing the 15th of every month as pay-day in the future, and agreeing to give the men their February pay March 15th. The men resumed work. When March 15th came, notice was posted at the shops that in consequence of embarrassment into which the Company had temporarily fallen in New York, it could not pay until March 25th. With the 25th of the month came a second notice, this one to the effect that the paymaster had begun paying elsewhere, and that those along the line who were paid first the previous month would be paid last the current month, and *vice versa*. A meeting of the men was called on March 26th, and the voice of the meeting was that work in the shops should be suspended. It was. The mammoth steam-gong was sounded, bells were rung, and within fifteen minutes every sound of labor was hushed, and the great buildings were deserted.

The demand made by the men was the old one of a regular pay-day, and the further one that regular apprentices be employed in the shops instead of unskilled labor, as was then the case, to do the work of mechanics. They also demanded their pay up to date, and time-and-a-half for overtime.

The monthly pay roll at Susquehanna amounted to \$50,000. The entire population of the place depended on the earnings of men employed in the Erie's shops, hence the sympathy for the strikers was universal.

The Company refused the demands of the men, and they proceeded to compel acquiescence by practically stopping all traffic on the railroad. They took possession of the trains as they came into Susquehanna, dismantled the locomotives, and refused to permit any trains to go either East or West. All the Company's efforts to break the blockade were useless, and by the end of the month there were many disabled engines in the roundhouse, and 1,000 cars idle on sidings. The strikers had seized \$200,000 worth of the Company's property, and declared that they would hold it until the company came to terms. The sheriff of Susquehanna County,

M. B. Helme, was called upon to restore the property to the Company and suppress the insurrection. He was powerless, as the populace was in entire sympathy with the strikers. The situation was such on the 28th of March that the sheriff telegraphed Governor Hartranft for troops. The men rejected all the propositions made by the Company, and continued to hold possession of its property and prevented the running of trains. Governor Hartranft ordered the First Regiment of State troops, Col. Dale Benson, of Philadelphia, and the Fourth Division, under command of Gen. S. D. Osborne, of Wilkesbarre, to the scene of the disturbance. The Philadelphia troops, 400 men, arrived at Susquehanna on the 29th. On the 30th, General Osborne's command of 1,000 men arrived. Martial law was declared. The Company's grounds were cleared of all strikers, and no person was permitted to enter upon them without a pass from the commanding officer of the troops, countersigned by Superintendent of Transportation P. P. Wright. The strikers were awed by the presence of the military, and the railroad was once more in possession of the Company. The strike was broken. The men were all paid off and discharged. Business had been suspended on the railroad five days. The Company found forty of its locomotives disabled in the yard, with the missing parts in possession of the strikers. The loss to the Company by the strike was more than \$1,000,000.

This was under the Watson administration, which had declared the railroad to be so prosperous in its hands that dividends had been paid on the alleged earnings. This had aggravated the unpaid strikers the more, and turned sympathy more generally toward them and their cause.

During the Susquehanna strike the Company was also greatly harassed by a strike of the freight handlers at New York and Jersey City, which was to secure an advance in pay from seventeen and a half cents an hour to twenty cents an hour, and twenty-five cents an hour overtime. This brought freight shipments to a standstill. The Company put new men on under protection of the police, and on the 28th, the new men having begun to do the work fairly well, the strikers surrendered. The Company took back some and discharged others, retaining many of the new men.

1877.

July 1st the brakemen, yardmen, and trackmen's wages were reduced 10 per cent. A committee representing the men was sent to headquarters with grievances, and requested a restoration of the wages to the former rate. President Jewett ordered the discharge of the members of the committee from the Company's employ. A meeting of the employees concerned was held at Hornellsville at midnight, July 19th, and a strike was ordered. It began immediately. The men demanded \$2 a day for brakemen, \$2.25 for head switchmen, \$1.50 for yard brakemen, \$1.40 for section trackmen, a restoration of the monthly passes to brakemen and passes for switchmen and trackmen, and free occupancy of the Company's grounds for dwellings of the men, the Com-

pany having ordered that rent should be paid for land occupied by the shanties of the switchmen and trackmen.

From the 20th until the 25th of July all through business and all local business, except on the Delaware and Eastern divisions, was suspended on the railroad. General Superintendent E. S. Bowen and other officers of the Company succeeded in reaching Hornellsville by special train at 9:30 P.M. of the 20th. The Hornellsville yard and shops were in entire possession of the strikers. All trains that had arrived at Hornellsville had been at once taken in charge by the men and side-tracked. The men on the Western Division joined the strike. At Hornellsville 400 strikers congregated. There were 150 at Salamanca. The strike was engineered and managed by a little red-headed, freckled-faced man named Barney J. Donohue, who was not an employee of the Company. The strikers patrolled the Hornellsville yard, and permitted no one to work therein. All trains from Dunkirk and the West were stopped at Salamanca. The last train to arrive from the West was got through on the 21st by the strategy of Engineer Dan Chapman. Passengers for the West were sent by the Rochester Division at first, but on the 21st the men in the Corning yards prevented any other trains going that way. Then the passengers were sent from Elmira by way of the Northern Central Railroad.

Sheriff Sherwood, of Steuben County, being unable to put the Company in possession of its railroad and property at Hornellsville, notified Governor Robinson, who ordered the Fifty-fourth Regiment, of Rochester, to the scene. It arrived, 400 strong, in command of Col. George E. Baker, Sunday evening, the 21st, at 6:30, hooted and reviled by the strikers. The Tenth Battalion, Colonel Smith, and Battery A of the Twentieth Brigade, Captain Walker, were ordered from Elmira to Hornellsville, and arrived the same evening. The militia formed and cleared the tracks, and the Hornellsville yard became virtually under martial law. Strong guards were placed about it, with orders to permit no one to enter the lines without a pass. The battery was stationed in Loder Street, commanding the Company's property. It was soon discovered, however, that a majority of the militia were in sympathy with the strikers. There being a disposition on the part of the conductors and engineers to aid in getting trains out, Barney Donohue notified them that they would do so at their peril, as the tracks had been "fixed" by the strikers, notwithstanding the presence of the military.

General Brinker and Gen. J. B. Woodward, and William Wallace MacFarland, of the Erie counsel, got through from New York to Hornellsville on the 21st, arriving there at 11 o'clock P.M. That day an express train left New York at 11 A.M. Gen. D. D. Wiley, Chief of Ordnance, was a passenger on the train. The train was abandoned at Elmira. A special train was made up there, and General Wiley, with ammunition and supplies, succeeded in reaching Hornellsville on it at 3:25 on the morning of the 22d. An express train from the East, carrying the United States mail, but no passengers, got to Hornellsville at 9 o'clock A.M. of the 21st (Sunday). Superintendent Bowen resolved to send it on

West under military escort. The train started at 10 o'clock. Captain Sullivan of Company D, One Hundred and Tenth Battalion, was detailed with forty men to guard the train and prevent the strikers from capturing it. A sergeant and four men were placed on the locomotive, and two guards were stationed on the platform of each car. The rest of the detachment were scattered through the cars. The guns were loaded, and the men had orders to fire on any attacking party. The train consisted of two passenger coaches, a baggage car and a postal car, and was in charge of Conductor Hiram Hurty and Engineer David E. Carey, whose fireman was Matt Dewey.

Half a mile west of Hornellsville depot the railroad begins the ascent of a heavy grade. The strikers had covered the rails at that point, and a long way up the grade, with soft soap, and had collected in vast numbers there. There were scores of detained passengers at Hornellsville, and word was sent to them that a train was going out, but only fourteen ventured aboard the train.

The train pulled out of the yard and was travelling rapidly when the engine struck the soaped rails. Then the wheels slipped, and labored up the grade very slowly. The 500 assembled strikers, and their women and children, yelled like demons. They poured on to the track in front of the train, and large torpedoes were placed on the rails to lift the locomotive and still further check it. Engineer Carey spurted sand and pounded ahead. The strikers swarmed on the locomotive, clambered on the steps of the cars, and clung to the railing in spite of the guards, many of whom were pale with fright. Beyond a feeble attempt at presenting bayonets the soldiers did not resist the strikers at all, and the men, with wild shouts, pushed them aside and soon had possession of the train. Setting the brakes on the passenger cars, they uncoupled them from the baggage car, and the engine, mail car, and baggage car went on. Engineer Carey stopped and backed down again, hoping to be able to recover the rest of his train, but the strikers swarmed about him and told him that if he did not proceed he would never leave that yard again. Seeing that resistance was useless, he went on. The strikers then drove the guards from the car, smashed the brake wheels with axes, ordered the passengers out of the cars, and started the cars down the grade into Hornellsville yard at a terrible rate, regardless of the consequences. Engineer Dan Chapman was in the yard and threw open a switch in time to turn the flying cars off the main track, thus saving a disastrous smash-up at the depot. The strikers took the soldiers prisoners, and marching them back to the yard, delivered them up to their comrades with derisive hoots and jeers. An effort to send a train out over the Buffalo Division under a strong guard of the Fifty-fourth Regiment also failed. The strikers, emboldened, captured a locomotive at the depot, where it was being made ready to make an effort to take a train East, in charge of a posse of deputy sheriffs, and ran it to the bridge east of town, where they drew its fire, and let the water out of the boiler. Barney Donohue then issued an "order" to the yardmaster and

all conductors and engineers that unless they ceased aiding in the making up of trains their lives would be the forfeit.

Late Sunday afternoon (the 21st) the Seventy-fourth Regiment of Buffalo, 300 strong, in command of Colonel Rickart, arrived at Hornellsville, after being held up by the strikers several hours near Hornellsville. An order was also issued to the Twenty-third Regiment, of Brooklyn, to proceed to the scene. Governor Robinson issued a proclamation declaring the strike a riot, warning all to desist, and calling upon all good citizens, and all authorities, civil and military, to aid in suppressing it. The authorities of Hornellsville issued a proclamation forbidding the sale of intoxicants, and warning citizens to keep aloof from the turbulent scenes. Receiver Jewett posted the offer of a reward of \$500 for information that might lead to the arrest and conviction of any one tampering with the Company's property. Hornellsville was threatened with a reign of terror.

A strong detachment of the Twenty-third Regiment left New York under Colonel Rodney C. Ward, at eleven o'clock A.M. of Monday, the 22d. No trouble was met until the train arrived at Susquehanna. From that point on the train had to fight its way. When the Twenty-third marched into Hornellsville toward evening of that day, having left the cars at the bridge east of the town, the bearing of the men at once impressed the strikers. There was no hooting. In fact, a strange silence prevailed. The Twenty-third was placed on guard in the Company's yard that night. Strikers attempted to pass through the lines, as they had been doing, unchallenged. The first one who attempted it was challenged by the guard. The man paid no attention to it, but kept on his way. Instantly a bullet from the sentinel's gun whistled over his head, and he quickly retreated and disappeared. From that moment a change came over the spirit of the strikers.

July 23d, Matthew Bemus and Miles W. Hawley, Hornellsville lawyers, were engaged by the strikers to endeavor to bring about a settlement. A committee, with Barney Donohue at its head, requested an interview with Superintendent Bowen. It was granted, and was held in the superintendent's private car. There were present also Mr. Hawley, Mr. MacFarland, William Pitt Shearman, assistant to the receiver, Chief Engineer Chanute, and others. Donohue delivered his ultimatum, which was the original demands of the strikers. Mr. MacFarland called the attention of the committee to the fact that as the property of the Company was in custody of the courts, being under a receivership, they were in serious contempt of court, which was a violation of a strict penal statute. He counselled the men to return to their allegiance and trust to the magnanimity of the Company's officials, as no concessions would be made. As Mr. MacFarland spoke as with the voice of Receiver Jewett himself, the momentary hope of a settlement was dispelled.

The strikers had had their headquarters in a hall opposite the Erie depot, but on the 23d changed to the Nichols House, in the central part of the village. While Barney Donohue was at supper that evening at the Nichols House, he was arrested by Sheriff Sherwood on a warrant sworn out

by Receiver Jewett, and issued by Judge Donahue of the New York Supreme Court, on a charge of contempt of court. The arrest was made so quietly that Donohue was in the lock-up before more than half a dozen of the strikers knew it. He was held in default of \$2,500 bail to answer the charge, July 27th.

At 7 o'clock A.M., July 24th, a train with two locomotives and with four picked men from the Twenty-third Regiment on each locomotive, and the rest of the command escorting it, the One Hundred and Tenth Battalion being in the coaches, was started East. It was in charge of Conductor Ryerson H. Stewart, and Engineers DeWitt and Frisbee. The Twenty-third escorted the train four miles and returned. At Corning the strikers had thrown freight cars across both tracks, and spiked the switches. The train arrived there at 12.30, and found a train there from New York, which had fought its way through with 128 more men from the Twenty-third Regiment. By the aid of the soldiers the obstructions were removed, and both trains got away from Corning after a struggle of two hours with the strikers. The west-bound train had to fight its way all the way to Hornellsville, and reached there only by Major Barnes ordering a detachment of the troops, under Captain Williams, to march ahead of the train on the double track and disperse the strikers who were tearing up the track, with order to fire if resisted. When the strikers were overtaken by the soldiers, and the latter halted and drew up in line, they broke and fled to the woods and did not appear again.

July 25th, the strike was settled on the basis of an agreement drawn up by Messrs. Bemus and Hawley, which was that the men should acquiesce in the 10 per cent. reduction in wages; the discharged grievance committee to be reinstated at the option of the superintendents of the divisions where the dismissals occurred; brakemen to go to work at the wages received previous to July 1st; none of the employees engaged in the strike to be proceeded against or discharged unless they had destroyed property, and the case of Donohue to be left to his counsel and the Erie counsel for settlement. The terms of settlement were agreed to just before midnight, and at daylight on the 26th all military surveillance was removed. There was great rejoicing at Hornellsville over the result, for the place had been cut off from communication with the outside world since Friday, July 19th, and business had been practically suspended during the strike.

The condition of affairs on the railroad had never been so blocked and muddled as the one in which the strike left it. The direct cost to the Company was \$300,000, and the loss sustained by the week's suspension of business was over \$1,000,000. It was a week after the strike before operations had resumed their regular order.

Barney Donohue was taken to New York to be punished. During four months Receiver Jewett, or his advisers, made an unnecessary exhibition of Erie in the proceedings that were persisted in against Donohue, always before Judge Donahue. The strike leader, who had none of the qualities of a leader, and was simply an ignorant and entirely incompetent man whose assurance alone had made him the head

of the Hornellsville strike, was lifted into undue prominence by the proceedings, and made a martyr of in the eyes of labor throughout the land. He was ably defended by Roger A. Pryor, and was accorded the dignity of being sent to Ludlow Street Jail for refusing to answer certain questions. He was subsequently released without having answered, by the same judge who committed him. This was on August 22d, when he was arrested by the Sheriff of Steuben County and taken to Bath Jail. October 13th, he was indicted on a charge of conspiracy, and December 12th, five months after his arrest at Hornellsville, he pleaded guilty, and was sentenced to three months' imprisonment in the Steuben County Jail. If that rational proceeding had been taken at the start, his punishment would have been more severe, and deservedly so.

#### MISCELLANEOUS NOTES OF INTEREST.

**STRAWBERRY TRAINS.**—In the early years of the Erie the region in Rockland County, N. Y., and Bergen County, N. J., adjacent to the eastern section of the railroad, made an important traffic for the road in the shipment of small fruits, particularly strawberries, that region then supplying largely the demands of New York City in those fruits. In 1846 a fruit train was put on during the berry season, between Suffern and Piermont, running between these points with the milk train from Middletown. It carried 400,000 baskets of strawberries that season. In 1847 this train consisted of nine 8-wheel cars, and on every trip "was loaded to the top with strawberries and milk. Some trips 80,000 baskets of berries were carried." Two cars of the train were needed to carry the berry-growers, who went to New York to dispose of their berries. The business was larger yet in 1848, and was a great factor in the Erie's local traffic until Southern New Jersey and Long Island became the great berry producers.

**SOME MEMORABLE SNOWS AND FLOODS.**—Deep snows and disastrous floods were regular disturbers of traffic on the Erie during its early years, particularly on the Western Division, where the high country of Chautauqui County, between Little Valley and Dunkirk, seemed to constantly invite snow blockades. In the winter of 1852-3 that region had a snow-fall of four feet and a half on the level; in 1853 three feet and a half, and in 1855-6 six feet and a half. In 1852 the drifts on the western end of the Western Division were thirty feet high. It was not an uncommon thing for passenger trains to be snowbound a week at a time within two hours of Dunkirk. Ten locomotives and 500 men were unable to keep that portion of the track clear for trains during the second week of January, 1852, and all that time a train-load of passengers lay in the drifts. On one occasion, during the winter of 1855-6, train No. 4, with five engines attached, was nine days getting over the Western Division.

June 17, 1857, the day express was four hours going from Addison to Hornellsville, because of a sudden and terrific rain which inundated that part of the railroad for twenty-five

miles east of Hornellsville, and covered the tracks in many places two or three feet with gravel washed from the hillsides. Captain Ayres was conductor of the train, and De Bruce Goodell engineer. Captain Ayers marched ahead of his train a great part of the distance, frequently for a mile or more in water up to his waist, to discover any danger that might lurk in the way. When the train reached Hornellsville the passengers held a meeting at the Osborne House and passed resolutions of thanks to the conductor, engineer, and trainmen. Hon. Benjamin Chamberlain of Randolph, N. Y., was chairman of the meeting.

The winter of 1857 was particularly disastrous to the Erie on the Delaware Division. There were extraordinarily deep snows, and heavy ice in the Delaware River. February 2d the ice went out with a big flood, and carried away the railroad bridge east of Narrowsburg, N. Y. The river froze up again, and another flood came February 18th. The railroad bridge that the previous flood had demolished was well along toward restoration, but most of the new one was carried away by the second flood. A. J. Hardenbergh, bridge foreman, was on the work next to the Pennsylvania bank when the flood came, and the timber broke up and crashed away behind him as he ran for the shore, his feet being scarcely lifted from one timber before that timber would fall before the flood. His escape was miraculous. Pending the replacing of the railroad bridge below Narrowsburg, through traffic over the Erie was virtually suspended. Local passengers were ferried across the Delaware. Live-stock was a great item of traffic on the Erie in those days. While the bridge was gone, cattle, sheep and hogs were unloaded at Narrowsburg and driven through Wayne County, Pa., to the junction of the Honesdale and Mast Hope turnpike, sixteen miles, and thence back over that turnpike to Mast Hope, a total distance of thirty-five miles, where they were reloaded on cars in waiting at that place for them.

March 17, 1875, the great iron bridge at Sawmill Rift, the original point of entry into Pennsylvania, was carried away by the great ice block caused by the unprecedented jam in the Delaware River at Sim's Cliff, below Port Jervis. For weeks before the catastrophe, foreseeing the danger, Chief Engineer Chanute of the Erie had a force of men at work blasting the ice in the gorge with nitro-glycerine, for the purpose of weakening it, so that when the great pack from up the river came down it would force a passage through the jam and avert the danger. This was not effected, and the ice coming down from up stream was stopped at the Port Jervis gorge, and piled up thirty to fifty feet high between Port Jervis and the Sawmill Rift bridge, lifting that bridge from its foundations and bearing it away. During the replacing of this bridge with the present one, all through traffic of the Erie was by the Delaware, Lackawanna and Western Railroad between New York and Great Bend, Pa.

The great blizzard of March, 1888, blocked the Eastern Division of the Erie so that the traffic was entirely at a standstill five days. Trains were stalled at many points between Jersey City and Port Jervis, all effort to extricate them

being fruitless, and much hardship resulted both to passengers and employees. The track was covered with drifted snow that was frequently fifty feet deep. No early snow blockade in the history of the railroad was as complete as this; for, with all the modern appliances, greater experience in railroading, and the more powerful machinery, the railroad was utterly at the mercy of the storm and its sequences for nearly a week, and it was a week longer before the demoralized and disorganized condition of affairs on the railroad could be restored to its old-time system and order. The blockade was all along the line and its branches for 150 miles. At and near Chester, N. Y., five trains were stalled from Monday morning until Friday night, the long, deep cut at the station being filled with snow from bottom to top, its entire length. The cut is 300 feet long and forty feet deep. The cost and loss to the company of that great obstruction to its business was \$1,000,000. The blockade lasted from March 12th to March 17th, before one train could be moved over the Eastern Division.

From early Sunday morning, October 3, 1869, until daylight the next morning, rain fell in such incessant torrents in the Delaware Valley that for miles on the Delaware Division of the Erie the track was buried from three to eight feet deep by land and rock slides from the hills. The heaviest slide was at Middaugh's Switch, six miles west of Port Jervis. Between Hankins and Callicoon 100 feet of the road-bed was washed into the Delaware River, which was a raging flood. Near Pond Eddy two sections of road-bed were washed out, leaving chasms sixty feet wide and fifty feet deep. The east abutment and one pier of the railroad bridge across the Delaware east of Narrowsburg were destroyed by the flood. The railroad was tied up until October 9. Temporary trestles were thrown across the big washouts, and a ferry was established across the river at the wrecked bridge east of Narrowsburg. Three hundred emigrants and hundreds of passengers were stalled at Port Jervis pending the repairs, and were fed and lodged by the Company.

#### SOME DREADFUL DISASTERS OF THE RAIL IN ERIE'S HISTORY.

AT KING & FULLER'S CUT.—Frank Evans of New York, a survivor of this terrible catastrophe, recalls for the author these recollections of it: "It was about the middle of July, in 1864," says Mr. Evans. "I was in the Union Army, and was one of a guard of 125 soldiers who were detailed to take a lot of Confederate prisoners from Point Lookout, Va., to the prison camp at Elmira, N. Y., which had just been made ready to receive them. There were 10,000 prisoners in all to be transferred, and this lot was the first installment to be moved. There were about 800 of them. We came on the Pennsylvania Railroad to Jersey City, and the prisoners were transferred to the Erie train by boat. The train was made up of emigrant cars, box cars, and all sorts of odds and ends of cars, and was a long one. Two guards were stationed on the platform at each end of each car. We got started from

Jersey City about 5 o'clock in the morning. I was one of the guards stationed well back on the train, and a lucky thing it was for me that I was so stationed. We passed through the little village of Shohola early in the afternoon, going something like twenty-five miles an hour. We had run a mile or so beyond Shohola, when the train came to a stop with a suddenness that hurled me to the ground, and instantly a crash and roar that rivalled the shock of battle rose and filled that quiet valley. This lasted but a moment. It was followed by a second or two of awful silence, and then the air was filled by most appalling shrieks and wails and cries of anguish.

"As soon as I recovered from the confusion caused by the shock and the fall, I did not need to be told that our train had met with some frightful mishap. I hurried forward. On a curve in a deep cut we had met a heavily-laden coal train, travelling nearly as fast as we were. The trains had come together with that deadly crash. The two locomotives were raised high in air, face to face against each other, like giants grappling. The tender of our locomotive stood erect on one end. The engineer and fireman, poor fellows, were buried beneath the wood it carried. Perched on the reared-up end of the tender, high above the wreck, was one of our guards, sitting with his gun clutched in his hands, dead! The front car of our train was jammed into a space of less than six feet. The two cars behind it were almost as badly wrecked. Several cars in the rear of those were also heaped together.

"In a very short time a score of people arrived from the village, and the work of removing the dead and rescuing the wounded began. There were bodies impaled on iron rods and splintered beams. Headless trunks were mangled between the telescoped cars. From the wreck of the head car thirty-seven of the thirty-eight prisoners it contained were taken out dead. The remaining prisoner was found alive and uninjured, surrounded by debris, like a nut kernel in its shell. Three of the four guards on the car were also taken out dead. The fourth one was the one who sat dead on top of the upturned tender. From the wrecked cars thirty-three of the guards were taken, twenty of whom were dead. Fifty or more of the prisoners were killed, and at least 100 or more wounded, a number of the wounded dying soon after they were removed from the wreck. The fireman of the coal train was instantly killed. His engineer escaped by jumping. The engineer of our train was caught in the awful wreck of his engine, where he was held in plain sight, with his back against the boiler, and slowly roasted to death. With his last breath he warned away all who went near to try and aid him, declaring that there was danger of the boiler exploding and killing them. Taken all in all, that wreck was a scene of horror such as few, even in the thick of battle, are ever doomed to be a witness of. And, as we heard during the day, it was all caused by a wrong order given to the engineer of the coal train by a drunken despatcher somewhere up the road. If we could have got at him we would have made short shrift of him.

"We were until night getting the dead and wounded out of the wreck and things in shape to proceed on our journey. A coroner held an inquest, and the dead were all buried in one great trench dug by order of the railroad officials, between the railroad and the river, which was a few hundred yards distant. The bodies were put into pine boxes, each dead Union soldier having a box to himself. The dead prisoners were buried four in a box. We did not get on our way until next morning, and left many of the wounded at Shohola, taking a number of them with us."

That frightful accident occurred about 2 P.M., Friday, July 15, 1864. The cause of the accident was a drunken telegraph operator at Lackawaxen, Pa., four miles west of the scene of the disaster. His name was Duff Kent. He had been carousing the night before, and was under the influence of liquor at his post when Conductor John Martin, of a coal train that had come in off the Hawley Branch of the Erie, eastbound, asked him if the road was clear for him to go ahead. Kent said it was, although the train that carried a flag ahead of the extra having the prisoners aboard had left the station on its way west but a short time before, and Kent had been informed that the train bearing the prisoners was on the road. This train should have left Jersey City at 4:30 A.M., Friday, July 15th, but was delayed an hour or more by the captain of the Union guard returning to the vessel on which the prisoners had been brought from City Point, to look for three of the prisoners who had escaped. When Conductor Martin got the word from Kent, his train started east. It consisted of fifty loaded cars. At King & Fuller's cut (so-called from the contractors who made it), a mile west of Shohola, the train was going at the rate of twelve miles an hour, and in that cut met the extra train, with its load of 833 Confederate prisoners and 150 Union guards, travelling twenty miles an hour. The cut is a long one, on a curve. Neither engineer could see the track fifty feet ahead of him. Neither knew of the other's presence there until they came face to face. The engineer of the coal train, Samuel Hoitt, had time to jump from his locomotive. He escaped with but slight injury. His fireman, Philo Prentiss, was crushed to death. The engineer of the passenger train was William Ingram, whose cool bravery in the face of a horrible death is described above by Mr. Evans. His fireman was Daniel Tuttle. Both were buried in the debris of the locomotive, the fireman being instantly killed. G. M. Boyden, a brakeman on the coal train, was also killed.

An inquest was held at Shohola, by Justice Thomas J. Ridgway and a jury. It exonerated every one from any blame, although the criminal carelessness that had caused the slaughter was well known. Kent was not molested; but on the very night following the accident, and while scores of his victims lay dead, and scores more were writhing in agony, he attended a ball at Hawley, and danced until daylight. Next day, however, he disappeared, the voice of popular indignation becoming ominous, and he never was seen or heard of in that locality again.

The trench in which the dead were buried was seventy-six

feet long, eight feet wide, and six deep. The official report of the killed that were buried places the number at fifty-one Confederates and nineteen Union soldiers. The wounded, some of whom died later, numbered 123. This, at that time, was the most horrible and disastrous railroad accident on record. The common grave of its unfortunate victims was in time washed away by floods, and the bones of those it contained were carried along, year by year, until at last the ground was left tenantless of its dead.

AT CARR'S ROCK.—Wednesday morning, April 15, 1868, eastbound express train No. 12 passed Lackawaxen, on the Delaware Division, at twelve minutes past three o'clock. The train was forty minutes late. There were nine cars in the train, the three rear cars being sleeping-coaches. Jasper B. Judd was the conductor, Henry Green the engineer. The Delaware Division had then but a single track. The rails were of iron, and of poor quality. When the railroad was built through that region, a wild mountain creek joined the Delaware at the mouth of a deep valley, midway between Shohola and Pond Eddy. A high jutting rock on one side of the valley was known as Carr's Rock, and the stream was called Carr's Rock Brook. The railroad was carried across the creek and its valley by filling in the latter and by the construction of a culvert of heavy masonry. The embankment and culvert were fifty feet above the creek, the fall being perpendicular at the culvert, and steep elsewhere, the Delaware River being about 100 feet from the foot of the embankment. The railroad curves sharply at this point.

The engineer was running to make up lost time. He had passed an eighth of a mile beyond Carr's Rock, when he discovered that he had lost part of his train. The conductor, who was in the front passenger car, had made the discovery before that, and going back through the train found that the sleeping-cars were not there. They had been thrown from the track, and hurled over the high embankment and culvert. As was learned later, or as was gathered from the evidences on the track, a rail 250 yards or more west of the culvert had been broken by the locomotive of the train, but the broken rail had kept in place until all the cars but one ahead of the first sleeper had passed over it. When the forward wheels of that car struck it, a section of the broken rail was displaced. Failing to mount the safe rail ahead of it, the truck went off on the ties. The rear truck remained on the rails, however, as did the following cars. The forward truck ran along on the ties 700 feet without the mishap having been discovered by the conductor or engineer. The passengers in the derailed car were awakened by its jolting over the ties, and one pulled the bell-rope. If the track had been straight the derailed car would doubtless have followed on safely until the accident had been discovered and the train stopped, but when the wheels of the truck met the beginning of the sharp curve it failed to respond to the change in direction, and kept straight on. The coupling to the car ahead was broken. The cars behind the derailed one followed it from the rails to the verge of the precipitous bank and culvert.

As the cars hung over the gulf, the coupling of the second and third cars broke. The first one plunged from the culvert, but was carried by its momentum to the far side of the creek, where it crashed in ruin, carrying instant death to many of its helpless occupants. The second car rolled over and over down the steep and rocky slope, its sides splitting open and its roof being torn away in the frightful descent. The third car fell bottom side up to the bottom of the steep, partially in the creek, and the fourth car fell near it.

When the discovery that something was wrong was made by the engineer and conductor, and the train was backed to the scene of the catastrophe, the last sleeper was in flames, lighting up fitfully the awful wreck of the other cars, from which rose most appalling shrieks and groans, and making the darkness of the wild surroundings more intense.

When the first shock of the horrible casualty was over, Conductor Judd and his trainmen, aided by the passengers from the cars that were not wrecked, and such of those as had escaped with their lives from the cars that had plunged from the bank and culvert, hastened to the aid of the injured and to the rescuing of the living who were held fast in the tangled débris of the wreck. The records of the sleeping-car company, as was subsequently learned, showed that berths had been sold to twenty-three persons for that trip in the car that caught fire. But two persons were saved alive from that car, and the charred remains of what were believed to be those of six others were all that were left to show what had become of the remaining twenty-one. In the first car that went into the gulf nearly every passenger was killed. The car that fell into the creek caught fire; all the part that was out of the creek was burned.

A train with physicians and other aid aboard was hurried to the scene of the dreadful catastrophe at the earliest possible moment, and the dead and injured were taken to Port Jervis. The injured were cared for tenderly at the various hotels and at private residences, by volunteer nurses, and by the five physicians of the place, and five sent from New York by the Company. The dead were laid out in the ladies' waiting-room of the depot to be identified and taken away by relatives or friends. The unidentified remains were buried in one grave in Laurel Grove Cemetery.

The death list of this most sickening tragedy of the rail is as follows:

Ephraim Hoyt and wife, Chenango Forks, N. Y.; Mary E. Cobb, Honesdale, Pa.; Eneas Blossom, proprietor of the Erie dining-saloon at Susquehanna, Pa.; a child of D. B. Tisdell, of Ithaca, N. Y.; H. Blonvin, Urbana, N. Y.; I. S. Dunham, Binghamton, N. Y.; C. K. Loomis, Buffalo, N. Y.; Elijah Knapp, Jamestown, N. Y.; Thomas Purinton, New York; Mrs. A. P. Snow and child, of Iowa; Tobias Erlich, Hornellsville, N. Y.; Philip Richter, Hoboken, N. J.; J. Melvin, Buffalo; A. E. Brown, Bath, N. Y.; Ferdinand Sausse, Paris; Mrs. John Decker, of Binghamton (among those burned to death); F. N. Horton of Salem, Wis.; A. L. Oliver of New York; four unidentified, and those supposed to have been entirely consumed in the rear sleeper; a total of forty dead.

The wounded were seventy-five, some of whom never recovered entirely from the effects of their injuries. Among the wounded were Charles W. Douglas, superintendent of the Delaware Division, and Charles S. Fairman, editor of the *Elmira Advertiser*.

A coroner's jury held an inquest at Port Jervis, N. Y., July 17th, and another one made a so-called investigation in Pike County, Pa., where the disaster occurred. This latter inquest held nobody nor anything to blame for the catastrophe. The Port Jervis inquest found that it was due to a broken rail over which the train was being run at too great speed.

In connection with this accident, the reader will find it interesting to refer to the report of General Superintendent Hugh Riddle, made to the Company some weeks before the Carr's Rock horror ("Administration of John S. Eldridge," pages 156-157).

In August, 1869, this most melancholy tragedy was brought sensationally before the public by one of those unusual movements peculiar to the Gould and Fisk régime. A number of the passengers injured at Carr's Rock had declined to accept the terms of settlement offered by the Company, and had brought suit to recover heavy damages. Among these passengers were Stephen Sweet, of Middletown, and C. C. Dyke, of Brooklyn, both of whom had been seriously hurt in the accident. The general verdict that the disaster was due to a broken rail and the reckless speed at which the train was running had not been questioned by any one, either in or out of the Erie management. In the winter of 1868-69, derauling of trains was so frequent that the management came to the conclusion that it was the work of train-wreckers, and the Company offered a reward of \$2,000 for information that would lead to the arrest and conviction of any one concerned in such a crime. May 28, 1869, a half-demented, dissolute character, named James Bowen, informed the Erie watchman at Stairway, seven miles west of Port Jervis, that he had surprised a man tampering with the rails at a dangerous spot, and recognized him. The watchman went with Bowen to the spot and found a rail loosened. Bowen said the man who had tampered with the rail was James Knight, who was a well-to-do and reputable farmer living in that vicinity. Knight was arrested, and Bowen's charge was found to be groundless, and he was himself arrested on charge of being the one who had tampered with the rail. He was lodged in jail at Milford, Pa., where, on June 2d, as was announced in the New York papers June 23d, he made a confession, declaring that he had displaced the rail and made the charge against Knight in hope of convicting him and obtaining the \$2,000 reward. The New York papers also intimated that Bowen had been guilty of wrecking the train at Carr's Rock in 1868. This intimation was fiercely assailed by the local papers, until it was in turn intimated to them that this opinion was not only shared by the management, but had originated with it, whereupon the broken rail and undue speed verdict of Carr's Rock was rejected and the new theory accepted. The result was that on August 18th

it was made public that James Bowen's conscience had harassed him so that he had sent for the local Erie officials and attorney, August 17th, and said that he had something to tell them. They went to Milford, where they bethought them that it would be well to have some one else hear what James Bowen had to say, and selected as such witnesses such substantial citizens as the district-attorney of Pike County, and an ex-associate judge and two ex-sheriffs. In the presence of these officers and ex-officers, Bowen confessed that he had fixed the rail that threw the train off the track with such terrible results at Carr's Rock, that night in April, 1868. The confession, as given to the press, was an incoherent, rambling statement, just such a one as an irresponsible, weak-minded man like Bowen would make, but the substance of it had been suggested to him, and by making it he expected to be leniently dealt with by the court, although the Erie officials were particular to announce that, before they knew what Bowen had it in his mind to say, they had warned him that he would say it at his peril, and must not expect any leniency from them. This confession was published, and poor old Bowen (he was then over sixty) was denounced far and wide as "The Fiend Bowen." When he came into court to get his expected light sentence, Judge George R. Barrett sentenced him to ten years in the Eastern Penitentiary, and to pay a fine of \$10,000.

But the evidence of this "confession," introduced in the proceedings of Sweet, Dyke, and others for damages against the Erie, to show that the Carr's Rock disaster was the work of a train-wrecker and not the result of any dereliction of duty, availed nothing. The plaintiffs obtained verdicts against the Company, and collected damages, Sweet for \$10,000 and Dyke for \$20,000. Bowen served out his sentence (with the exception of paying the fine) for a crime he never committed, and returned to Pike County, where he died in 1895. Carr's Rock is now known as Parker's Glen, and a sparkling fountain playing in the gulf below the culvert marks the spot where that horror was, more than thirty years ago.

AT MAST HOPE.—On the night of July 14, 1869, Conductor Judson D. Brown's freight train, bound west on the Delaware Division, pulled upon the switch at Mast Hope, Pa., to wait for the passing of express train No. 3, which left Jersey City at 6:30 P.M., and was due to pass Mast Hope at a few minutes before midnight. The engineer of the freight train was James Griffin. The express train was in charge of Conductor Henry Smith. Charles Coffey was engineer. The train approached Mast Hope at its usual high rate of speed. The engineer sounded his whistle as usual. Mast Hope was not a stopping place for the express. As he was whizzing by the station Engineer Coffey was horrified to see the locomotive of the freight train pulling out on the main line directly in his path. He had barely time to think before his locomotive had plunged into the freight locomotive, and was turned completely round. The collision was frightful. How Coffey or his fireman, Perry Hoyt, escaped instant death is one of the miracles of railroad life. The coals from the fire-

box of the locomotive set fire to the wrecked car next to it. The flames spread rapidly. The depot building caught fire from the burning cars and was destroyed. Nine persons were burned to death in the cars, among them the Rev. Benjamin B. Halleck, a Universalist minister of New York. He was unhurt by the smash-up, but was held fast under his seat, in plain sight of those who were doing all they could to rescue him. Among these was his brother-in-law, who had escaped from the car. It was impossible to save him. He coolly gave directions as to the best way to extricate him, as the flames closed in about him, and he met his awful death without a murmur or a groan. The dead, besides Mr. Halleck, were an unknown family of five—father, mother, and three children, immigrants—Daniel Baer, and three other passengers, who were burned beyond recognition. The number of the injured were ten.

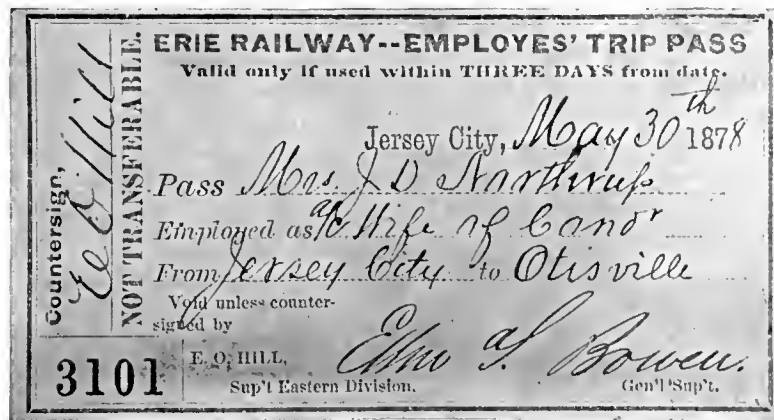
Engineer Griffin disappeared after the disaster, and was arrested at Salamanca, N. Y., July 16th. He was held by the coroner on the charge of manslaughter. He was unable to explain how or why he pulled his engine out on the main track ahead of the express, except on the theory that he had fallen asleep on his engine while waiting on the switch, was aroused by the whistling of the passenger train, and, while

yet confused and half asleep, had started his engine unconsciously. He was tried at Milford, Pa., at the September term of court following. He was defended by the Hon. George W. Woodward, ex-Justice of the Supreme Court of Pennsylvania, and other eminent counsel, and was acquitted, so greatly to the indignation of Judge George R. Barrett, the presiding judge, that he addressed the jury, after its verdict, in scathing terms, discharged it, and declared that its members were unfit to try causes in any court.

Engineer Coffey suffered so from nervous shock of the collision that it was years before he could bring himself to run an engine again. He at last conquered his aversion, and is to-day one of the most fearless, as he is one of the oldest, engineers in the Erie employ. He runs an express train on the Susquehanna Division.

Engineer Griffin was but twenty-five years old when the accident occurred. His hair was very dark. Within a year his hair was almost snow white. Strange as it may seem, he was, after two or three years, taken back into the Erie's employ, and is in their employ to-day.

Conductor Judson D. Brown, of the freight train, is a passenger conductor on the Erie. Henry Smith, conductor of the fated passenger train, is in business at Wellsboro, Pa.



FROM THE NORTHRUP COLLECTION.

## UNDER THE LEGISLATIVE PROBE.

### LAYING ERIE BARE.

Insinuations and Charges Against the Management Inquired into as Long Ago as 1841—Not Proven, Exoneration Follows—The Search for the Truth in the Days of Daniel Drew that Kept the New York Legislature Busy—Bribery and Corruption Charged in the Legislature of 1868—How the Action of a Senator Who Had Helped Investigate Erie Led to an Investigation of Himself—The Committee Scores Erie, but the Legislature Changes Its Mind and Passes the Erie Bill—After the Classification Bill in 1870, 1871, and 1872—Seeking Truth About the Watson Dividend of 1873—Erie Secrets Come to Light—The Hepburn Investigation of 1879 Throws Light on Various Things.

1841.

There having been for months rumors afloat that Erie affairs were being conducted after questionable methods ("Second Administration of Eleazar Lord," page 50), the matter was brought to the attention of the New York Legislature, and on February 4, 1841, was referred to the Committee on Railroads, composed of Erastus D. Culver, of Washington County; Jonathan Aiken, of Dutchess County; William C. Pierpont, of New York; Seth C. Hawley, of Erie, and Reuben Howe, of Montgomery County. The matters to be investigated were whether the Company had made contracts or purchases of material at larger prices than the work could have been agreed upon in consideration of the contractors subscribing to the stock; whether the stock had had any market value during the past year; whether any cash payment had been made in stock on general call; whether the interest on State stocks was paid with money obtained by selling the stock; whether the Company had sold the State stock loaned to it at less than its par value; and whether the Company had in any way evaded the fair intent of the law requiring it to expend a certain proportion of its own money before being entitled to the credit of the State.

The Committee made its report May 8th, exonerating the officers of the Company from the charges and insinuations that brought about the investigation. The report made 165 printed pages, and included many tables and long statements from the various officers. The report was not satisfactory to the opponents of the railroad, and Assemblyman Arphaxad Loomis, of Herkimer County, moved that it be recommitted to the committee, with instructions to bring in a bill to prohibit the further issuing of stocks to the Company until the further order of the Legislature. Assemblyman Andrew G. Chatfield, of Steuben County, moved that the matter be referred to a select committee for further action. The matter was finally settled May 24th, by the appointment of a select committee of three, on the following resolution offered by Mr. Chatfield:

*Resolved*, That the report of the Standing Committee on Railroads upon the petitions praying for further aid to the New York and Erie Railroad Company, together with the remonstrances against the same, and the petitions for the speedy construction of the New York and Erie Railroad by the State, communicated to this House on the 22d of May instant, be referred to a Select Committee of three members, to be appointed by ballot, who shall have power to send for persons and papers, with instructions to inquire into the management of said Company and its officers; to sit during the recess of the Legislature, at such times and places within this State as they shall deem proper, and to report to the next Legislature.

The select committee of the Assembly thus appointed consisted of Andrew G. Chatfield, of Steuben County, chairman; George G. Graham, of Ulster; and William B. Maclay, of New York.

The first meeting of the committee was at the office of the Company in New York City, July 29, 1841, where it examined the books and took the testimony of the officers and agents of the Company. September 23d, the committee met at Goshen, N. Y., where it was in session until October 1st, the first meeting day being the day the railroad was opened between Piermont and Goshen.

October 2d, the committee met at Piermont, and returned to Goshen, October 4th, where it prosecuted its investigation until October 7th, when it adjourned to meet at Monticello, N. Y., October 11th, remained there two days, and met at Bethel, Sullivan County, N. Y., October 13th. It was in session there one day, and adjourned to meet at Binghamton, October 18th. On the 20th it adjourned to Owego, where the investigation occupied nine days, the chief subject being the difficulty over the location of the route through Owego and the place where the depot was to be. From Owego the committee went to Elmira, where it met on the 29th, and continued in session until November 2d. It adjourned from Elmira to Corning, where its session began November 4th and ended on the 6th, resuming at Addison, N. Y., on the 8th. From Addison the committee visited Rathbonsville on the 9th; Hornellsville on the 10th and 11th; Phillipsburg, Allegany County, the 13th; Cuba and Olean the 15th; Randolph the 17th; Dunkirk the 19th and 20th. From Dunkirk the committee adjourned to New York,

where it met on December 13th and remained in session until December 30th.

The committee made its report to the Legislature, January 18, 1842. The report was exhaustive, and occupied, with the testimony, exhibits, reports of engineers, etc., 699 pages of Vol. III. of Senate Documents for 1842. The committee employed James Seymour, a prominent civil engineer, to pass over the entire route of the railroad and report on its affairs. His report made thirty printed pages.

The committee's report not only exonerated the management on all the allegations, but commended it for the manner in which it had prosecuted the work, as follows: "The result of this investigation not only exonerates the Company, its officers, and its agents from everything like a charge of fraud or mismanagement or attempt to evade the law, but it proves, on the contrary, that they are justly entitled to the confidence which the Legislature has heretofore reposed in them. Instead of being liable to censure, the Company is entitled to approbation."

1868.

While the contest between Daniel Drew and Cornelius Vanderbilt for possession of the Erie Railway ("Administration of John S. Eldridge," pages 148-160) was at its height, the New York Legislature took cognizance of it. A bill seeking to legalize the action of the Erie Directory in over-issuing stock was introduced in the Assembly, and it was defeated March 31st, by an overwhelming vote. Pending further action on the bill, the Senate had taken hand in Erie affairs on another line of procedure.

March 5th, Senator James F. Pierce, of the Second District, offered the following preamble and resolution in the Senate:

WHEREAS, Grave charges have been made in the newspapers and before the Supreme Court, in reference to the management of the Erie Railway Company, and that the general management of the said Company is controlled by persons who systematically make use of their positions to depreciate and destroy the value of the stock of said Company, and that the Directors of such Company have issued a larger amount of the stock of such Company than such Company is entitled to issue by law, therefore

*Resolved*, That a committee of three Senators be appointed to examine into the condition of such Company and into the said charges, with power to send for persons and papers, said investigation to be conducted without expense to the State.

On motion of Senator Henry W. Genet, of New York, the following addition was made to Senator Pierce's resolution:

*Resolved*, That said committee be directed to report the testimony taken, and the result of their deliberation, within twenty days from the adoption of this resolution.

The preamble and resolutions were agreed to.

March 6th, on motion of Senator Abner C. Mattoon, the number of the committee was increased from three to five, and such a committee was appointed as follows:

James F. Pierce, of the Second District; John J. Bradley, of the Seventh District; Abner C. Mattoon, of the Twenty-first District; Orlow W. Chapman, of the Twenty-fourth District; Wolcott J. Humphrey, of the Thirtieth District.

The committee met at 62 Broadway, New York, March 10, 1868, and at the Delavan House, Albany, March 13th, 19th, 24th, 25th. The witnesses examined were Horatio N. Otis, Secretary of the Company; J. C. Bancroft Davis, of the Erie Directory; David Groesbeck, Daniel Drew's broker; Gen. A. S. Diven, Vice-President of the Company; Henry R. Pierson, of the Erie Directory; William G. Edwards, cashier of Bloodgood & Co., of Wall Street; James M. Cross, a contractor of Newark, N. J. Jay Gould, James Fisk, Jr., Homer Ramsdell, Daniel Drew, John S. Eldridge, President of the Erie; Henry Thompson, Dudley S. Gregory, John S. Hilton, William Belden, of Fisk & Belden; Henry M. Smith, of Smith, Gould, Martin & Co., were subpoenaed as witnesses, but failed to appear, nor could they be found by the Sergeant-at-Arms of the Senate. Copies from the minutes of the Board of Directors bearing on the matter to be investigated, copies of contracts with Daniel Drew, of the lease of the Buffalo, Bradford and Pittsburg Railroad, the agreement with the Boston, Hartford and Erie Railroad Company to guarantee the bonds of that company, and of the proceedings that led up to that agreement, and the statement of President Eldridge justifying the matter that had led to the investigation, were also part of the testimony.

April 1st two reports were submitted to the Senate, a majority report signed by Senators Pierce, Bradley, and Mattoon, and a minority report signed by Senators Chapman and Humphrey. The majority report scored the methods of Gould, Fisk, Drew, Eldridge, and the others of the existing Erie management in their manipulating of the Erie stock and its over-issue, declared that they were acting in violation of law and morals, and denounced their acts in scathing terms. "Justice demands," said the report, "that these agents should be removed, but as the courts have ample power over them, the committee have not deemed it necessary to introduce a bill for the purpose. The committee, however, believe that some legislation is necessary to prevent similar practices in future, and they accordingly ask the adoption of the following resolution:

*Resolved*, That the frauds and abuses developed by the investigation of the management of the present directors and officers of the Erie Railway Company, demand that increased penalties for such offences shall be imposed for the protection of stockholders and the community, and that the special committee conducting such investigation be, and they hereby are, instructed to report a bill, making it a felonious offence for any director or officer to fraudulently issue stock of the Company in which he holds such trust, or to convert to his own use or purposes the proceeds of stock or bonds, or to fraudulently take or carry away to another State, or with like intent to keep and retain therein, to evade legal process in this State, the moneys or effects of such Company.

The minority report, which would have been the majority report but for the fact that Senator Mattoon withdrew his

consent from it at the eleventh hour and signed the Pierce and Bradley report, simply declared that the charges against the management had not been established, and that it had done no act that it had not the legal right to do. Leave was given Senator Chapman to report to the Senate the bill submitted with the minority report, and the bill reported was entitled "An Act in relation to the Erie, New York Central, Hudson River, and Harlem Railway Companies." It was referred to the Committee of the Whole.

The sensation that these two reports made was increased by an editorial paragraph in the *New York Tribune*, written by Horace Greeley himself, as follows :

Can Senator Folger really mean to scout investigation as needless? Does he not know that quite a number of his fellow Senators have sold their votes in the Drew-Vanderbilt quarrel, some of them more than once? Can he not lay his hand at once on the Senator who is currently reported to have sold his vote and influence first to one side for \$15,000, and then to the other for \$20,000, insisting that he must have \$1,000 extra for his son? Is he not morally certain that more than \$100,000 have been paid to influence corruptly the action of Senators in the premises?

There could be only one Senator to whom this charge could apply, but before he had taken any public notice of it, Senator Matthew Hale, on April 8th, offered a preamble and resolutions, which, after warm debate, were amended and presented in the following form on April 10th :

WHEREAS, It has been charged that large sums of money have been improperly and corruptly expended by or on behalf of persons interested in the passage or defeat of certain measures relating to the Erie Railway Company, in order to influence or attempt to influence legislative action in supporting or opposing such measures ; and, *whereas*, reports are current that said parties, or some of them, have been or are now attempting to influence Senators by corrupt and unlawful means ; and, *whereas*, such reports, whether true or false, tend to bring this body and the whole Legislature into discredit and public contempt ; therefore,

*Resolved*, That this body ought, in justice to its own reputation, and in order that corruption and bribery, if they exist, may be exposed and punished, and that calumny and slander, if such charges and reports are false, may be refuted and silenced, to investigate as to the truth or falsehood of such charges and reports.

*Resolved, further*, That a committee of three be appointed by the President, with power to send for persons and papers, to inquire and ascertain whether any party or parties interested in supporting or opposing any measures relating to the Erie Railway Company, had, either in person or by agent, directly or indirectly, paid or offered to pay any member or members of the Senate, during the present session, any money or other valuable thing to influence his or their vote or action, in Senate or committee.

Senator John O'Donnell, of the Eighteenth District, who championed the Erie interests in this affair, moved to amend by striking out the word "Erie" wherever it occurred, and inserting in lieu thereof the words "railroad companies," and the motion prevailed by a vote of 17 to 13.

April 11th, the preamble and resolutions were adopted by a unanimous vote. Senators Matthew Hale, of the Sixteenth District ; Richard Crowley, of the Twenty-ninth, and Lewis

A. Edwards, of the First, were appointed the special committee to conduct the investigation.

May 1st, Senator Hale submitted the following to the Senate :

*To the Honorable the Senate :*

Your Committee, appointed pursuant to resolution adopted April 10, 1868, to inquire as to the use of money, etc., to influence the action of Senators upon measures relating to railways, respectfully report :

That they had commenced such investigations and diligently prosecuted the same, so far as time and their other necessary duties would permit, but have been unable to accomplish the same. This failure to accomplish the work entrusted to your Committee results in a great measure from inability to obtain the attendance of some witnesses deemed material in such investigation. Some of those witnesses, your Committee have reason to believe, have left the State temporarily, or concealed themselves within it, for the purpose of avoiding the service of process to compel such attendance, thinking that the approaching adjournment will terminate the powers of your Committee.

Your Committee are of the opinion that a report of the testimony taken in the present incomplete stage of the investigation would do injustice to some parties referred to by witnesses, and would perhaps defeat the object of the investigation. They are, therefore, compelled to recommend the adoption of the accompanying resolution.

The resolution was one authorizing this Committee to sit during the recess of the Legislature, with the same powers and effect as during the session, and to report at the next regular session of the Legislature. It was carried by a vote of 24 to 1, Senator Genet voting in the negative.

The action of Senator Hale on April 8th toward the appointment of the special committee of investigation was prompted by occurrences in the Assembly on Wednesday, April 1st. Immediately after the vote accepting the report of the Railroad Committee averse to the bill legalizing the acts of the Directors of the Erie Railway Company, Assemblyman Elijah M. K. Glenn, of Wayne County, rose to a question of privilege and offered the following :

ASSEMBLY CHAMBER, April 1, 1868.

*To the Hon. the Speaker of the Assembly :*

I, E. M. K. Glenn, a member of this House, from my seat in this House do charge as follows :

- 1st. I charge that the report on the Erie Railroad bill was bought.
- 2d. I charge that a portion of the vote on this floor, in adopting the said report, was bought.
- 3d. I charge that members of this House were engaged in buying their fellow members.

Mr. Glenn moved by resolution that the Speaker appoint a committee of five to investigate the charges.

The Speaker appointed Augustus G. S. Allis, of Onondaga County ; James R. Button, of Cattaraugus County ; James D. Lasher, of Oswego County ; Lewis P. Dayton, of Erie County, and Alexander Frear, of New York, as the committee.

Mr. Glenn asked for and was granted leave of absence for a week. On his return, he presented a communication to the Assembly, April 9th, in which he formally charged Assemblyman Frear, in conjunction with Mark M. Lewis, of

Albany, with having offered him \$500, on March 27th, to influence his vote on the Erie bill, and asked that Mr. Frear be relieved from serving on the investigating committee.

Mr. Frear offered his resignation as one of the committee, but the matter was referred to the committee itself to investigate, and report whether any action on it was necessary. The committee took immediate action, and April 10th reported that "the evidence does not furnish any justification for the charges made by Mr. Glenn against Mr. Frear, and we have unanimously come to the conclusion that the testimony exonerates him from this charge," and that his request to be excused from serving on the committee be denied.

The report was unanimously agreed to by the Assembly, and Mr. Frear addressed the House. In the course of his remarks he said :

I became satisfied, on investigating the facts, that the acts of the confederated Erie Directors—trustees as they were—constituted a high-handed fraud upon the rights of stockholders, and a violation of the common principles of honesty, which, if committed by men of humble means and station, would have subjected them undoubtedly to punishment at the criminal bar; and I stood, if I may be allowed to say, prominently among eighty-two members of this House against the audacious attempt of these stock-jobbing conspirators to secure the sanction of legislative aid to such palpable frauds and atrocious violations of trust. . . . It is a painful thing to recognize from the testimony that the immediate prompter of this accusation is an old man, who seems to have outlived everything but his malignity. The member from Wayne stands without any justification, except the infirmities of mind and body. . . . Under other circumstances it might have been due to the dignity of this House that the member from Wayne should have been subjected to the judgment of his fellow members for an offence which nothing but his weakness palliates. As it is, I leave his case and mine in your hands, and to the consideration of an intelligent community.

Assemblyman Lawrence D. Kiernan, of New York, moved, inasmuch as the charges against Mr. Frear had not been established, and had evidently been made wantonly, that Mr. Glenn be brought before the bar of the House and publicly censured. The resolution was carried, but, on motion of Mr. Frear, all action in the matter was postponed until the final report of the investigating committee had been made.

April 11th Mr. Glenn tendered his resignation as Member of Assembly, and the record makes no further mention of the matter.

The witnesses examined by the investigating committee were Mr. Glenn, who appeared at the morning session, but declined to answer a subpoena to attend in the afternoon. His testimony was rambling, and established nothing; Mark M. Lewis, of Albany, an optician and lobbyist; Assemblyman Frear, who denied absolutely the charges of Mr. Glenn; Assemblyman Henry Ray, of Ontario County; Assemblyman Luke Ranney, of Onondaga County, and Assemblyman Augustus A. Brush, of Dutchess County.

April 1st Mr. Chapman, from the Senate Committee on Railroads, reported a bill entitled, "An Act in relation to the Erie, New York Central, Hudson River, and Harlem Railway Companies," which was referred to the Committee of the

Whole. April 11th it was made the special order for Tuesday, April 14th, and to be continued the special order thereafter until disposed of. This was an act legalizing the over-issue of Erie stock and the other transactions of the management that had led to the investigation.

April 17th Walcott J. Humphrey, of the Thirtieth District, reported from the Committee of the Whole in favor of the passage of the bill, and the report was agreed to, and April 18th the bill was passed on a vote of 17 to 12. Among those who voted for the Erie bill was Senator Mattoon, who had deserted the minority of the Investigating Committee and signed the caustic anti-Erie report of the majority.

April 21st, in the Assembly, on motion of William C. Bentley, of Otsego County, the bill went to the Committee of the Whole, and the same day it was reported favorably and passed, the negative votes being W. S. Andrews, of Kings; James Irving, of New York; Alembert Pond, of Saratoga County; Alpheus Prince, of Erie County; Robert Stewart, of Madison County.

Among those voting for the Erie bill in the Assembly was Frear, who had shown such righteous indignation over the mere fact that the Erie should have come to the Legislature and asked for aid.

The Hale Investigating Committee held meetings as follows :

1868. At the Capitol, Albany, April 18th, 20th, 22d, 23d, 29th, 30th; May 28th, 29th, 30th; June 2d, 9th, 12th, when it adjourned subject to call of chairman. The next meetings were December 15th, 16th, 17th, 22d, at Albany.

1869. At Congress Hall, Albany, January 4th, 25th; February 16th, 22d.

The following were the principal witnesses examined by the committee :

John B. Dutcher, Abram Van Vechten (lobbyist), Hugh J. Hastings, Jay Gould, Cornelius Vanderbilt, Jr., Charles C. Clark (Treasurer of the Hudson River Railroad Company), Thomas G. Alvord, Dyer D. S. Brown (editor of the *Rochester Democrat*), Horace Greeley, Thomas C. Fields (ex-Senator), Senator Abner C. Mattoon, Ashbel N. Cole, Julien T. Williams, M.D. (ex-Assemblyman), Senator O. W. Chapman, John Van Valkenburg (lobbyist), Senator Abiah W. Palmer, John Flavel Mines (newspaper correspondent), Louis F. Payne (lobbyist and harbor-master).

May 5th, Senator Edwards resigned from the Hale Investigating Committee, and Senator Asher P. Nichols, of the Twenty-first District, was appointed in his place.

In the course of the investigation it was brought out that during the interesting legislation on the Erie bill there had been in the employ of the Erie, Hamilton Harris, Lyman Tremain, and Peter Cagger, of Albany, and John Ganson, of Buffalo, as counsel, and Hugh J. Hastings, Julien T. Williams, Dyer D. S. Brown, as lobby agents. The Vanderbilt lobbyists were Abram Van Vechten, John B. Dutcher, and John Van Valkenburg. George Bliss, Jr., acted as counsel in opposition to the bill. Gen. A. S. Diven, Vice-Presi-

dent of the Erie, had general charge of legislation in the interest of Erie.

Jay Gould in his testimony said that the Company had about fifty lawyers employed during the procuring of the legislation on the Erie bill, and that between \$25,000 and \$50,000 had been used by the Company at Albany. He had told all persons who had come to him and said they could influence votes that the bill must be passed on its merits, and that if it did not pass he would go home without it.

Louis F. Payne was introduced to him, he said, by a letter from J. C. Bancroft Davis, who recommended him, and, on Payne's representation of what he had done for the Erie in the legislation of the past winter, and what he could do still, Gould gave him \$5,000. One thing that Payne declared he could do was to influence the vote of Senator Abiah W. Palmer, of Dutchess County (in Payne's district), a disposition of himself which Senator Palmer, under oath, declared Payne could not make, and, indeed, would not have dared to attempt. The day after Gould had paid Payne the \$5,000 he received a letter from headquarters at New York, telling him that they "had sent up this man, who represented that he could do great things," and the letter said at the bottom, "Pay him nothing. He has been compensated." Then Gould learned that Erie Director Henry Thompson had already paid Payne \$5,000, "and," said he, "I saw I had been swindled. He told me he was making \$25,000 or \$30,000 a year, and being up here had injured him to that amount. He wanted more than that (\$5,000), but I told him \$5,000 was more than I could earn in a year." After Gould discovered that he had duplicated Payne's pay, he said he met him at the Delavan House and told Payne that he (Payne) had obtained the money unfairly, and demanded that he return the \$5,000. "He (Payne) said he would be damned if he would."

Payne in his testimony declared that the amount was for his personal services, and that he had been sent for by Director Thompson of the Erie, and solicited to go to Albany to assist in the passage of the Erie bill, but he refused to do so until he was paid for his past services. Thompson paid the amount. Payne said he was unable to say to the committee of just what service he was to be to the Company.

February 16, 1869, Thomas Murphy, ex-Senator, and subsequently Collector of the Port of New York under President Grant, in telling what he knew about Erie affairs as regarded legislation, swore that one evening, at a meeting at the Union League Club in New York, the object of which was to raise money to aid the Republican party in the campaign of 1868, it was stated that the Erie Railway Company had contributed \$100,000 to the Democratic party. Senator Murphy was deputed by the Republican State Committee to call on Gould and see if he would not help that party, too. William Belden, James Fisk's partner, accompanied him. He first saw Fisk. He told Fisk the Republican party had saved the Erie in 1868, and asked for \$100,000. Fisk said he must see Gould, who soon came in. Gould informed Senator Murphy that Vanderbilt had told him that he (Van-

derbilt) had not aided either party, and that he (Gould) intended to pursue the same policy. Murphy insisted, and then Gould said he had already given something to the Republican party—\$20,000 to Governor Fenton, through Hamilton Harris. Subsequently Director Henry Thompson told Senator Murphy that he was present when the \$20,000, in two checks of \$10,000 each, was paid to Harris, who said that the Erie bill would be signed within two or three hours from that time; and it was.

This implication that Governor Fenton had been bribed to sign the Erie bill was another sensation in the affair. Jay Gould, on February 22d, appeared voluntarily before the committee and denied all of Murphy's story about the payment of \$20,000 to Harris for Governor Fenton. James Fisk, Jr., corroborated him, and Hamilton Harris swore that he never received \$20,000 or any other amount from Jay Gould for Governor Fenton. That settled the Fenton incident.

Erie Director Henry Thompson told the committee, February 16th, that Luther Caldwell, of Elmira, who was connected with the press of the State, represented that he could render great service to the Erie legislation thereby, and Thompson gave him over \$60,000 to be used in such service for the Erie bill. Subsequently Thompson gave Jay Gould an order on Caldwell to repay the money to him at Albany. In regard to this, Gould testified that Thompson had given him a sealed envelope addressed to Caldwell, without stating what it contained. Gould left it at the Delavan House for Caldwell, and never heard any more about it. This was the order for the money Thompson had given Caldwell, and that was the last the money was ever heard of by the Erie managers, except that it was refunded to Thompson from the Erie treasury, thus doubling the cost of the transaction to the Company.

After the defeat of the Erie bill in the Assembly, March 31, 1868, Gould said the Company had concluded to abandon legislation, but Senator Mattoon came to Jersey City with the report signed by Senators Chapman and Humphrey, and his statement was that it was to be the majority report, and that it would be no more than an act of justice to the committee that some representative of the Erie should go to Albany and explain away the popular prejudice against the Company and the bill it asked for. "That was one thing that induced me to come up," said Gould. "It was Saturday before the report was made. I got the report printed for him. He said I ought to come up. I came up. I met him . . . two or three times. He seemed to be friendly to us. I was perfectly astounded when I heard he had signed the other report. He explained to me that he had not read the other report at the time he saw me, and reading that report had changed his mind." ("Administration of John S. Eldridge," pages 152-155.)

Senator Mattoon denied all the charges against him. He denied Gould's story of the report, and said he had never had a copy of it in his possession. He went to Jersey City at the request of Daniel Drew simply to give the Erie

people advice on the best way to carry their bill, he being in favor of it. He was in favor of the Erie because they had perfected a freight arrangement by which a great reduction in the carrying of flour from Oswego *via* that railroad had been effected which was beneficial to his constituents.

General Diven's testimony was that Mattoon came to the office of the Erie Railway Company with a letter of introduction to Auditor Hilton, and was introduced to Directors Gould, Drew, and Thompson, and President Eldridge. Mattoon said the object of moving for the investigation was mercenary, and that he intended to prevent its success.

Senator Chapman said that he and Humphreys were at Senator Pierce's room at the Delavan, and he read the substance of the report he had drawn. They said they could not subscribe to all it protested, and they subsequently drew up a report embodying their views. This they submitted to Senator Mattoon, and he approved of it, and agreed to sign it, but he afterward signed the report drawn by Senator Pierce, thus making that one the majority report.

Daniel Drew testified before the Investigating Committee that he had no knowledge of any money being paid out of the treasury of that Company for the purpose of procuring legislation; but he testified that Mr. Eldridge, the President of the road, drew out \$500,000 before the session of the Legislature, ostensibly for purposes of litigation, which was charged on the books of the Company to President Eldridge individually, and which had not been accounted for when he (Drew) retired from the office of treasurer of the Company in July, 1868, and that no money other than that had been drawn out of the treasury to pay the expenses of the Company at Albany.

The committee, in its report made to the Senate March 10, 1869, did not seem to agree with Mr. Drew on that subject. "It is evident," the report declared, "that large amounts of money were actually paid for various purposes. Mr. Gould paid \$5,000 to Louis A. Payne, and \$2,000 to some person (he thinks his name was William King) for Mr. D. D. S. Brown, of Rochester, and something more than \$25,000, and he thinks less than \$50,000, not including payment by draft, to counsel and agents. Mr. Thompson paid \$5,000 to Payne, and upwards of \$60,000 to Luther Caldwell, which was refunded to him by the Erie Railway Company. It is clear, therefore, that large sums of money did come from the treasury of the Erie Railway Company, which were expended for *some* purpose in Albany for which no vouchers seem to have been filed in the office of the Company. The objects of the expenditure cannot be learned from the books of the Company. The testimony of Mr. Drew shows where these funds may have come from. Whether the creation of so large a fund as that intrusted to Mr. Eldridge in this instance, the expenditure of which is left entirely to the discretion of a single individual, and for which no vouchers or accounts are required, is usual with railroad companies, your committee are not informed. Mr. Eldridge being a citizen of and in another State, his attendance before your committee could not be compelled. He

was invited by letter to appear and testify, but the invitation was not responded to.

"The testimony leaves no doubt in the minds of your committee that large sums of money were, in fact, furnished with the *intent* that they should be used for the purposes of influencing legislation unlawfully. In the only cases in which your committee have been able to obtain any direct evidence, the moneys so furnished were not, in fact, used for the purpose intended, but went to enrich members of the lobby. Mr. Caldwell himself, after several unsuccessful efforts to procure his attendance, appeared before your committee on the day preceding the commencement of the present session of the Senate. In reply to a question whether he received any money from any officer of the Erie Railway Company to be used in securing the passage of the bill, he answered in the negative. A question whether he received money from such source for any purpose, he declined to answer 'till he had time for reflection.' The question whether he knew of money being paid by any person interested for or against the bill, to any one for the purpose of securing the vote of any Senator, and whether he received money from any party interested in opposing the bill—he said he could decide whether he would answer these questions by the next morning, and the committee adjourned to the next morning to give him the desired opportunity for 'reflection.' Your committee were in attendance the next day at the appointed hour and place, but Mr. Caldwell did not appear, nor has he since been before them, and on inquiry your committee have been informed that he is spending the season in some of the Southern States. . . . The conviction is forced upon the minds of your committee that some persons interested, both for and against the bill, were furnishing money from *some* source with the intent and for the purpose of corruptly and unlawfully influencing legislation."

The committee went no deeper into an opinion on the subject than that, and no one was censured nor was any charge reported as legally sustained. The scandals had simply come as delectable morsels for the newspapers to serve to their readers, and as texts for more or less platitudinous editorial comment.

#### 1870—1871—1872.

The time of the New York Legislature was largely taken up in these years by the discussion and consideration of measures set afoot by the opposition to the Gould management for the purpose of repealing the Classification Act of 1869, as it was impossible to get Erie out of the hands of that management by any regular process so long as that law was in force. ("Administration of Jay Gould," pages 174, 176.) The petitioners for the repeal were defeated in 1870 and 1871, so completely had the Erie management the control of the Legislature in hand. Whether the repeal would have been effected in 1872, if it had not been that the dethronement of Jay Gould was accomplished while action on the

measure was pending in the Legislature that year, is a question. ("Administration of Jay Gould," pages 182-200.) It was before the committee having the matter in charge in 1872 that Thomas G. Shearman, of Erie counsel, made his explanation of how the cost of the old New York and Erie Railroad, the affairs of which had been closed out by the reorganization in 1861, and which cost had been reported for ten years at \$38,964,728, was advanced to \$86,626,350 in 1870. According to Mr. Shearman, the addition of the \$47,661,622 was due to the fact that the blanks furnished by the State to railroad companies for making out their annual reports to the State Engineer had no room on them for the auditor to charge the expenses that increase represented, and so he had no recourse but to charge it to the New York and Erie Railroad Company! "To which," said Mr. Shearman, "it was probably as appropriate, to say the least, as it would be under any other specific item of the account." "The auditor of the Company," remarked Mr. Shearman, "of his own motion, selected as the most reasonable item for this purpose the charge entitled, 'New York and Erie Railroad Company'!"

And so the New York and Erie Railroad Company stands of record as having expended nearly \$40,000,000 more money than it did expend in building and equipping its railroad, simply because the auditor of the Erie Railroad Company had no room on the report blank to indicate what that amount of expenditure really did represent, and there is no record at all of what was actually done with that vast sum of money, or the amount it actually represented in cash. To this day that false charge to the old Erie construction account figures in the Company's reports.

The Classification Act was repealed March 14, 1872.

1873.

Rumors, which the newspapers of the day had given prominence to and claimed stability for, that a dividend on Erie stock was to be declared, and that it could not be an honest one ("Administration of Peter H. Watson," pages 219-221), called the attention of the Legislature to Erie affairs again. At the session of 1873, February 17th, in the Assembly, Isaac H. Babcock, of Niagara County, offered the following:

WHEREAS, It is well known that a large majority of the stock now outstanding against the Erie Railroad Company was, by a corrupt collusion of its officers, fraudulently issued, and that there never was 20 per cent. on the par value of such stock paid into the treasury nor expended by it on its property for the public welfare, owing to such corrupt action of its officers; and,

WHEREAS, The original purchasers of said stock did not pay more than the above-named amount for the same, thereby implicating themselves with those who perpetrated the fraud; and,

WHEREAS, It has been made public that the Board of Directors of that Company have declared a dividend on the entire amount of stock outstanding against it, which dividend is limited only in consequence of the earnings of its road, and not in consideration of the manner in which such stock was issued; and,

WHEREAS, The practical effect of allowing dividends to be paid on

such stock would be to recognize and encourage fraud, to paralyze the industries of an innocent people living tributary to the line of the road that Company represents, by imposing additional burdens on them for its use; to levy unjust and oppressive burdens on the commerce of the city of New York, on whose commercial supremacy the welfare of the State so largely depends; to increase the cost of living by increasing the cost of transporting the necessities of life between producers and consumers; and, finally, to enrich adventurers, gamblers, and speculators, as against good morals, the welfare of the people, and public policy; therefore,

*Resolved* (if the Senate concur), That the Attorney-General of this State be and is hereby authorized and required to commence proceedings against the officers and directors of the Erie Railway Company, restraining them from paying said dividend or any other dividends, on the fraudulently issued stock of said Company, such proceedings to be brought immediately in any court of competent jurisdiction; and in case the decision of such court shall be in favor of the payment of such dividend, then such case to be brought immediately thereafter before the Court of Appeals for its adjudication and decision.

*Resolved*, That the proceedings instituted under these resolutions shall take precedence over all other cases on the calendar of the court or courts wherein such proceedings are held.

*Resolved*, That the Attorney-General be and is hereby authorized to employ such additional counsel as he may deem necessary in prosecuting the duties hereby imposed.

March 10th, on Mr. Babcock's motion, the following was substituted for his resolution authorizing action by the Attorney-General:

AND, WHEREAS, It has been currently reported and charged in the public prints and elsewhere, that a large and improper expenditure of money was made by the foreign stockholders and officers of the Erie Railway Company in the transfer of the management of that Company, in the year 1872, and that by corrupt contract for the negotiation of its bonds the agents of said foreign stockholders have since been indirectly reimbursed out of the treasury of said Company, and that a large sum was used to influence legislation connected with said road in the same year; and that other gross irregularities on the part of said road and its managers were committed, have

*Resolved*, That the Attorney-General of this State be and is hereby directed to report to this House within twenty days, whether in his opinion the dividends so declared upon the aforesaid fraudulently issued stock of said Company can be legally paid out of the treasury, and whether the said Erie Railway Company may not be restrained by the courts from paying such dividends, or any other dividend, upon any stock thus fraudulently created.

*Resolved*, That a select committee of five, to be appointed by the speaker, be and they are hereby authorized and directed to investigate said improper and corrupt acts, and to report thereon to this House, within thirty days; and that said committee be authorized to send for persons and papers.

The Speaker, March 12th, appointed the following special committee, under the resolution: Isaac H. Babcock, of Niagara County; Cyrello S. Lincoln, of Ontario County; William S. Opdyke, of New York; Charles Crary, of New York; Jacob B. Carpenter, of Dutchess County. March 20th, Mr. Opdyke resigned, and Amherst Wight, Jr., of Westchester County, was appointed in his place.

April 9th, Mr. Babcock presented a partial report, in which he said that the committee had been unable to complete its labors within the time allowed by the resolution, and recom-

mended the adoption of the following preamble and resolution :

WHEREAS, The special committee appointed to investigate the affairs of the Erie Railway Company or its officers, and to ascertain and report whether said Company or its officers have been guilty of any unlawful or corrupt practices with regard to legislation during the year 1872, has fully investigated the present management of said Company and the proceeding upon which the dividend recently declared by said Company, was declared and paid ; but it appears by the books of the Company produced in evidence before the committee, that large sums of money were paid out of the treasury of the Company during the years 1869, 1870, and 1871, as it is supposed for the purpose of influencing legislation during these years, and the committee have reason to believe that evidence can be procured of the payment of large amounts which it is alleged were used to influence the votes of Senators and Members of Assembly during the year 1872, but they have been unable to procure the attendance of witnesses who are said to have direct knowledge of such payments, and it will be impossible to procure such attendance during the time allowed for the investigation ; therefore,

*Resolved*, That the committee be and are hereby authorized and instructed to make a thorough investigation regarding all payments made by the Erie Railway Company during the years above named for the purpose of influencing or controlling legislation, whether such payments were made to Senators, Members of Assembly or other persons for such purposes, and to ascertain and report with regard to all other unlawful or corrupt measures, by or on behalf of said Company, its officers, agents, or employees, to influence, control, or defeat legislation, and that the time for such committee to make such investigation and report thereon be extended until further direction of this Assembly.

On motion of Mr. Weed, April 23d was fixed as the limit of the investigation. April 10th, Mr. Babcock stated that William M. Tweed, Jay Gould, and John B. Dutcher had refused to pay any attention to subpoenas served on them to appear before the committee and testify, and moved that they be arrested by the Sergeant-at-Arms and brought before the House, and show cause why they should not be punished for contempt. Tweed and Dutcher were declared in contempt of the House, but, May 16th, on motion of James W. Husted, Dutcher was purged of his contempt.

The committee had meetings as follows : Albany, March 18th and 19th. Fifth Avenue Hotel, New York, March 21st, 22d, 24th, 25th. Erie Railway office, New York, March 25th, for the purpose of continuing examination of the books and papers of the Company. Fifth Avenue Hotel, March 28th, during the day ; in the evening at the residence of Frederick A. Lane to take his testimony, he being confined to his room by illness. March 25th, at the Fifth Avenue Hotel and the Erie Railway office, where President Watson and Auditor Dunan were examined. Fifth Avenue Hotel, March 31st ; April 1st, 2d, 3d, 5th, 7th, 8th. Albany, April 11th, 15th, 16th, 17th. Fifth Avenue Hotel, April 19th, 21st, 22d. Albany, April 23d. Taking of testimony closed that day. Following were the principal witnesses examined :

Jay Gould, Peter H. Watson, President of the Company ; S. L. M. Barlow, Erie Director and counsel, and counsel for the Atlantic and Great Western Railroad Company ; Oliver

Hazard Perry Archer, late Vice-President of the Company, and one of those who had joined against Gould in March, 1872 ; Justin D. White, ex-Treasurer of the Company, and Sylvanus H. Dunan, Auditor of the Company ; W. Archdall O'Doherty, late close friend of James McHenry ; Homer Ramsdell, ex-President of the Company and a Director ; Henry Thompson, ex-Erie Director, who was in the 1872 conspiracy against Gould ; Gen. Alexander S. Diven, Erie Director, ex-Vice-President and ex-General Manager of the Company ; Francis C. Barlow, Attorney-General of the State of New York ; Henry N. Sherwood, who succeeded William M. Tweed in the Erie Directory in December, 1871 ; Giovanni P. Morosini, Auditor of the Company under Gould ; Samuel J. Tilden, who appeared in behalf of himself, to deny that he had ever received a fee of \$20,000 from the Erie Railway Company ; A. D. Barber and Abram Van Vechten, lobbyists ; John Taylor Johnston, John J. Cisco, and John V. L. Pruyn, Erie Directors ; Senator E. M. Madden, of Orange County, who explained that the \$4,000 Gould gave him was to pay his election expenses ; Matthew Hale, of Albany ; Chauncey M. Depew, then counsel for the New York Central Railroad Company, who admitted ignorance of the inner working of legislation at Albany ; Thomas G. Shearman, who was after Attorney-General Barlow ; James J. Kelso, Superintendent of Police of New York ; Thomas G. Alvord, Joseph Seligman, William Belden, Colonel Fisk's old-time partner ; Hamilton Harris, of Albany, who, being a lawyer, explained easily why he received so much Erie money ; Gen. George H. Sharpe, ex-United States marshal, who was examined as to his services during the " Sickles coup " of 1872.

The first matter to be taken up by the committee was whether the dividend declared upon the stock of the Company in February, 1873, was paid out of the net earnings of the road.

Justin D. White, who had been Treasurer of the Company until March 17, 1873, testified that there was no money to pay the interest that had matured (\$800,000), and that the money with which the dividend was paid in February, 1873, came from Bischoffsheim & Goldschmidt, of London, being the proceeds of bonds negotiated by them ; and Giovanni P. Morosini, ex-Auditor of the Company, swore that the net earnings of the Company for the first six months of the year 1872 were \$377,885, although Mr. Watson's auditor, Sylvanus H. Dunan, had reported the earnings for the same six months, upon which the dividend for February, 1873, was made up, as \$2,387,610.

The second subject of investigation was the improper use of money in the transfer of the management of the Company in 1872, and as to reimbursements on that or other accounts of such expenses from the Company's treasury. It had been charged in the public prints that the then Attorney-General, Francis C. Barlow, had been in the pay of the Erie, and that he had then accepted a retainer of \$10,000 from Daniel E. Sickles, to which was subsequently added \$2,000, to proceed with measures looking to the ousting of the Gould management, and the Heath and Raphael party increased

the amount by \$1,500. General Barlow testified that this money was placed in his hands to employ special counsel and for disbursements.

He had disbursed of the money placed in his hands all but \$3,307.19, which he returned by check to General Sickles, although the General solicited him to retain it. The Mr. Smith retained by the Attorney-General was a member of the Legislature, but the Attorney-General swore that he had not employed him because of that.

Thomas G. Shearman had charged that the Attorney-General, while professedly carrying on a suit in the interest of the Erie stockholders, was secretly receiving a large sum from Gould and Fisk, under a mysterious contract by which \$3,000 a month was to be paid, with the understanding that no harm was to result to them from the proposed suits, and which accounted for the delay in the Legislature and the courts, and that he had written a letter demanding \$100,000 from General Sickles for his services in the Erie overthrow. Several witnesses denied this, as did correspondence between Sickles and the Attorney-General—which Shearman declared had originated since the charges were made—and the committee believed the Attorney-General's story, stating in their report that they "cannot resist the conclusion that the whole story (the charges) was a fabrication, and that the parties giving currency to the tale had probably been grossly deceiving one another."

The committee went also into the matter of the overthrow of the Gould management.

The third matter that occupied the committee in its investigation was as to payment of money to influence legislation connected with the Company, and other irregularities. "The testimony of several witnesses was taken on this subject," said the committee, "and although the information acquired was not as specific as could be asked, enough was obtained to show that the railroad companies have been in the habit of spending large sums from year to year either to procure or reject the passage of bills. . . . It appears conclusive that a large amount—reported by one witness at \$100,000—was appropriated for legislative purposes by the railroad interests in 1872," and Erie's proportion of it was \$30,000.

It was in evidence that it had been the custom of the managers of the Erie Railway Company, from year to year in the past, to spend large sums to control elections and to influence legislation. In the year 1868 more than \$1,000,000 was disbursed from the treasury for "extra and legal services."

Jay Gould was examined on this point, and admitted the payment, during three years prior to 1872, of large sums to A. D. Barber, William M. Tweed, and others, and also large sums drawn by himself which might have been employed to influence legislation or elections. These amounts were charged in what was known as "the india-rubber account" (probably because of its elasticity). "The memory of this witness was very defective as to details," the committee's report declared, "and he could only remember large transactions; but he could distinctly recall that he had been in the

habit of sending money into the numerous districts all over the State, either to control nominations or elections for Senators and Members of Assembly. He considered that, as a rule, such investments paid better than to wait until the men got to Albany, and added the significant remark, in reply to a question, that it would be as impossible to specify the numerous instances as it would to call to mind the number of freight cars sent over the Erie road from day to day." According to Mr. Gould, his operations extended into four different States. It was his custom to influence both nominations and elections. "When the Legislature is Republican, I am a Republican," said he. "When it is Democratic I am a Democrat, but I am always an Erie man."

John H. Comer, who had been private secretary to James Fisk (and, after Fisk's death, to Vice-President O. H. P. Archer, who succeeded Fisk in the Erie management), and attorney and agent for Fisk's executrix, Mrs. Fisk, said that Jay Gould made a claim upon him in February, 1872, and renewed it in March after his removal from the Erie management, to refund from the Fisk estate \$2,000, which was one-half of \$4,000, he said, that had been paid to Senator E. M. Madden, of Orange County, for influencing legislation. He was present at Fisk's office one time when \$2,500 was paid to Van Vechten, and another time when \$4,000 was paid to him.

William Belden, who had been Gould and Fisk's broker in the great gold speculation of 1869 that culminated in Black Friday, in which his services saved them from the most serious consequences, told of a contract he was to have in December, 1871, for transporting coal over the Erie and the storage of it free in the Erie yards, whence he could sell it, because of these privileges, and make 75 cents a ton more than any other dealer; but as Gould and Fisk were too busy at the time to draw up the contract, they made one with him by which they were to pay him \$3,000 a month, in prospective profit on the coal deal, in lieu of the other contract, to compensate him for the loss their lack of time in placing the privileges of the Erie at his service might subject him to. He said he was to perform services for them for the time, but he could not remember any service he ever performed for the \$3,000 monthly that he drew regularly, except some errands at the Opera House when the Gould management was under fire, March 11, 1872, and services in connection with bringing about a meeting between Gould and the confidence man, Lord Gordon-Gordon. ("Administration of Jay Gould," pages 183 to 186.) George Hays was a partner with Belden in this remarkable prospective coal contract. Gould, Comer said, claimed that this contract was simply a cover by which the money was paid to Attorney-General Barlow for efforts to keep him (Gould) in power. The Fisk estate paid two monthly installments, and then Comer refused to pay any more, on the ground that if it was to keep Gould in power, Fisk was not a sharer in the success of that, as he was dead and was not liable. Thomas G. Shearman, Gould's confidential counsel, had said to him, on being asked by him whether it was true about the money being for Barlow:

"Don't ask me any questions about it! Pay it! It is all right!"

Ex-Auditor Dunan (the Erie dividend having been declared and paid before the investigation began) showed how entirely proper the dividend was; how it had been honestly earned, producing convincing figures to that effect from the books of the Company. His testimony certainly did not fore-shadow the sensation he was to create a few months later, by officially declaring that the dividend was a cheat and a fraud. ("Administration of Peter H. Watson," pages 223-227.)

President Watson's statement to the committee defended his policy and showed how he was entirely justified in declaring the dividend, because the railroad had earned the money with which it was paid. Mr. Watson threw somewhat of light on the methods of a previous management in the matter of dealing with legislation, by producing some leaves that had been torn from an Erie Railway account book, showing disbursements for legal services rendered, which he had found in the office. The leaves bore entries as follows:

James Fisk, Jr., March to December, 1868, six items, legal and incidental.....	\$117,400 43
Daniel Drew, March, 1868, incidental expenses.....	52,600 00
Jay Gould, June 1, 1868, incidental expenses..	24,000 00
" " March 31st, incidental expenses.....	21,600 00
" " " 26th, injunction.....	1,800 00
" " June 10th, legal expenses.....	20,000 00
" " July 10th, extra expenses.....	347,000 00
" " " 30th, expenses.....	10,000 00
" " December 1st, legal expenses.....	7,000 00
" " " 31st, expenses.....	500 00
	<u>\$484,600 00</u>

1868.

Hamilton Harris, legal expenses, four items, March to December.....	\$26,000 00
Wm. M. Tweed, November 25th, legal expenses.....	20,000 00
" " December 1st.....	5,500 00
" " " 4th.....	4,500 00
Peter B. Sweeny.....	150,000 00
Taylor's Hotel, April and July.....	<u>\$6,410 75</u>

Henry Thompson, July 30, 1868, extra expenses and services .....	\$159,000 00
Wm. H. Vanderbilt, August 5, 1868, expenses.....	18,950 00
M. P. Bemus, January 11, 1869, services and expenses.	1,000 00
A. D. Barber, May 12, 1869, legal expenses.....	4,000 00
Hamilton Harris, January to July, 1869, legal expenses	22,443 32
Wm. M. Tweed, January to June, expenses.....	27,912 86
Samuel J. Tilden, January to February, 1869, legal services.....	20,000 00
A. Van Vechten, March 8th, legal expenses.....	2,500 00
" " May 12th, " " .....	2,500 00

A. D. Barber, March 4, 1870, legal expenses.....	\$1,000 00
" " May 19, " expenses.....	46,000 00
" " June 9, " .....	4,700 50
	<u>\$51,700 50</u>

Thos. C. Fields, retainer, December 31, 1869 .....	\$500 00
" " " April 8, 1870.....	2,500 00
	<u>\$3,000 00</u>
James Fisk, Jr., November, 1869, to June, 1870, legal expenses and contingencies.....	<u>\$22,000 00</u>
Jay Gould, October 22, 1869 (marked Senator Humphrey).....	\$5,000 00
S. H. Hammond, March 28, 1870.....	2,500 00
A. H. Barber, April 23d.....	2,500 00
Jay Gould, September 3d ("a Senator").....	\$1,000 00
" " legal expenses.....	100,000 00
" " September 9th, legal expenses.....	50,000 00
" " " 9th, " " .....	44,000 00
	<u>\$195,000 00</u>
Hamilton Harris, December, 1869, to May, 1870.....	<u>\$20,000 00</u>
James O'Brien, February 24, 1870 .....	\$2,500 00
Delavan House, March 25, " .....	377 75
" " June 12, " .....	347 60
Wm. M. Tweed, December 9, 1869, legal expenses....	\$25,000 00
" " April 8, 1870.....	12,000 00
" " June 4, " .....	10,750 00
	<u>\$57,750 00</u>
A. Van Vechten, January 21, 1870, legal expenses....	\$2,500 00
" " April 28 " " " .....	2,500 00
" " September 5, " " " .....	2,500 00
	<u>\$7,500 00</u>
Jay Gould, October 4, 1870, legal expenses.....	\$1,000 00
" " " 25, " " " .....	500 00
	<u>\$1,500 00</u>
Hugh J. Hastings, April 25, 1868, legal expenses.....	<u>\$15,000 00</u>

Another significant exhibit that figured in the development of this uncovering of Erie secrets was a voucher presented on April, 1871, to Justin D. White, Treasurer of the Company, as follows:

ERIE RAILWAY COMPANY, 1871.

To Wm. M. Tweed,	Cr.
For legal disbursements, as per order J. G.....	\$35,000
Approved—JAMES FISK, JR.,	
Comptroller, for the President.	

Dated April 25, 1871.

Received of the Erie Railway Company the sum of thirty-five thousand dollars (\$35,000) in full for the above account.

WM. M. TWEED,  
per A. V.

Interest—"Treasurer's Office, paid March 11, 1872. Erie Railway Company."

The conclusions of the committee, after digesting the testimony it had obtained, are incorporated, as a matter pertaining to the regular story of that management, in Part II. of the "Administration of Peter H. Watson," pages 220, 221; but this paragraph from the report, relating to the mysterious dis-

bursement of money at Albany by the Company's representatives, is a particularly fitting closing to this record :

*"To say that no portion of this money was disbursed to individual members would be to attach undue credit to the conversational powers of the men having it in charge."*

1879.

In response to a memorial adopted by the New York Chamber of Commerce, February 6, 1879, and addressed to the Assembly of that State, charging that the managers of the railroads of the State, particularly those of the Erie and the New York Central, were abusing the trusts vested in them by unjust discriminations in rates, by subordinating the rights of stockholders to private interests which the privileges of their companies were employed to enhance, and by other acts inconsistent with the honest exercise of authority in the operation of the public highways, a special committee of five (increased to nine, March 12th), was appointed, on motion of Mr. Hepburn, February 28th, to investigate the charges. The committee consisted of A. B. Hepburn, H. L. Duguid, James Low, William L. Noyes, James W. Wadsworth, Charles S. Baker, James W. Husted, George L. Terry, and Thomas A. Grady. The committee began the taking of testimony at New York, June 12th. It held sessions also at Albany, Rochester, Buffalo, Ogdensburg, Utica, and Saratoga. The investigation was closed December 19th.

March 26th, the Chamber of Commerce and Board of Trade and Transportation of New York submitted to the committee in detail the charge of maladministration against the railroad managers. This was in response to a letter sent by the committee to those bodies, and to different representative organizations throughout the State, requesting them to appear before the committee and prefer charges in order that it might determine therefrom what course to pursue. The charges of the New York bodies were generally accepted as covering the whole ground. The charges were read by Francis B. Thurber, and were signed by Jackson S. Schultz, Benjamin B. Sherman, Francis B. Thurber, Charles C. Dodge, Jacob Wendell, and Benjamin G. Arnold, as a committee. The charges were replied to by Hugh J. Jewett, President of the Erie, and William H. Vanderbilt, President of the New York Central, in a joint letter addressed to the investigating committee, reviewing the charges and taking general issue with them. Upon the issue thus formed the committee proceeded with the investigation. The New York commercial bodies prepared and supplied the evidence, and suggested the witnesses. Their counsel was Simon Sterne, of New York. The manufacturing and agricultural interests in the interior of the State were represented by J. H. Martindale, of Rochester. Ex-Judge William D. Shipman appeared for the Erie, and Chauncey M. Depew, Frank Loomis, and A. P. Laning for the New York Central. The entire answer of the railroad companies was submitted by George R. Blanchard, First Vice-President of the Erie, and this effort stands to-day as one of the clearest, most cogent, and thorough expositions of the

transportation question and of the rights and moral powers of railroad corporations, from the corporation standpoint, in the entire literature of railroads.

The witnesses examined by this committee formed an array of railroad and corporation magnates and celebrities never before summoned to give their testimony in the presence of any body or tribunal. The issues that brought the Erie's affairs particularly into the investigation called for the presence and testimony of President Jewett, First Vice-President Blanchard, S. L. M. Barlow, Chief Engineer Octave Chanute, Auditor Stephen Little, ex-Treasurer William Pitt Shearman, General Freight Agent Royal C. Vilas, Gen. A. S. Diven, Col. George T. Balch and Joseph W. Guppy, two old ex-employees of the Erie, both of whom had held close confidential relations with different managements. Collateral issues which involved the discrimination charge against the railroads were represented as witnesses by John D. Archbold, Jabez A. Boswick, and Henry H. Rogers, all Standard Oil Company magnates, and Josiah Lombard, of Lombard, Ayers & Co., oil refiners. William H. Vanderbilt, Webster Wagner, of the Wagner Palace Car Company; James H. Rutter, Vice-President of the Central; Alexander E. Orr, and Edwin D. Worcester, were other prominent witnesses.

The testimony, arguments of counsel, and report of the committee fill five large volumes of the legislative records of New York State. The testimony of more than 100 persons was taken, that of Vice-President George W. Blanchard alone making 851 pages, and that of President Jewett 146 pages in the report.

All of the Erie dirty linen of years past was rewashed by the investigation, and it was shown that a large quantity of new had been added to the heap. The history of the most of it is virtually covered in the chapters in this book giving the story of Erie during those years. The committee's report, which was made January 22, 1880, sustained the charges of the commercial bodies, although Senator Grady submitted a minority report embodying the views of the railroad managers. The result of the investigation was the passing of a law regulating the voting of railroad shares by proxy, so that they must be proxies executed three months before an election; a law prohibiting discrimination in rates, and the law establishing the Board of Railroad Commissioners, and a law prescribing and regulating the form and substance of reports to be made by the companies to the State engineer, an important and timely enactment has resulted not only in the putting on record of railroad statistics invaluable, but in hedging railroad corporations about by many wise restrictions.

Among the testimony in regard to the recent transactions of the Erie management that the Hepburn investigating committee brought out was that in relation to one of Mr. Jewett's first official acts after taking charge of the Company. October 1, 1874, so the testimony ran, the Erie became a party with the Standard Oil Company in hauling crude oil from the wells to the Cleveland refineries, 150 miles, and then carrying the refined oil from Cleveland to New York at the same

rate crude oil was charged from the mouth of the wells—a voluntary haul of 300 miles for nothing.

Previous to this, in 1872, during the Watson administration, the Erie had agreed to pay a rebate to the South Improvement Company, of which the Standard Oil Company was the successor, on all oil shipped, and if any competitor got the same rate, the same reduction was to be made on the net rate of the South Improvement Company, the rates being thus managed so that the rivals would be compelled to pay full rates, or always more than the South Improvement Company.

August 1, 1875, the Erie agreed to let the Standard Oil Company have the lowest net rate to other parties, and to pay the Standard 10 per cent. rebate on all shipments. The Erie, in 1877, joined hands with the Standard Oil Company to fight the Pennsylvania Railroad Company and force it to close out the Empire Transportation Company, a rival to the Standard Oil Company as a shipper and refiner of oil. The fight lasted until October, when the Standard and its railroad allies won, the great oil company not only crushing its rival, but gaining control of the terminal facilities for oil at Philadelphia and Baltimore, and becoming dictator to the railroads. In 1879, to harass the Tidewater Pipe Line Company, another projected rival of the Standard, the Erie and the other railroads reduced the rates on oil as low as fifteen cents a barrel to the Standard, from the open rate of \$1.15, and allowed a mileage that reduced the amount received by the railroads to ten cents a barrel.

It was also elicited that Jay Gould made a twenty-year lease, February 1, 1870, with the National Stock Yard Company at Weehawken to handle all the live stock transported by the Company. Charles S. Robinson was president of the Stock Yard Company, and John H. Comer, Fisk's private secretary, was secretary. The same day Gould made an agreement that the Erie Railway Company would advance such money from time to time as the National Stock Yard Company might require for the purpose of completing and fitting its yards for use. Not more than \$100,000 were to be advanced, for which the Railway Company accepted first mortgage bonds issued by the Stock Yard Company. This company also leased stock yards at Deposit, N. Y., and Buffalo. By an order of Judge Donahue, July 29, 1875, Receiver Jewett was permitted to cancel the contract with the National Stock Yard Company by purchasing all the outstanding stock held by Charles Robinson, at the rate of \$50,000 worth of the first mortgage bonds of the Stock Yard Company for 3,623 shares, also buying 1,822 shares of the Stock Yard Company held by the widow of James Fisk, Jr., for \$5,000 of the first mortgage bonds of that company. January 28, 1876, Receiver Jewett leased all the Company's stock yards and

facilities to John R. McPherson, of New Jersey (United States Senator), who took charge of the unloading, care, and handling of the live stock transported by the Erie, which paid him yardage charges of forty-five cents per head for cattle, six cents for sheep, and eight for hogs, and from \$45 to \$50 per ton for hay, besides \$1 per car for unloading.

The arrangement the Erie had with the Car Trust of New York was also gone into by this investigating committee. This Car Trust was formed in 1878. The parties to it were John Lowber Welsh, of Philadelphia; Homer Ramsdell, of Newburgh, N. Y.; John A. Hardenbergh and George R. Blanchard, of New York, and Clement R. Woodin, of Berwick, Pa., of the first part, and the New York, Lake Erie and Western Railroad Company of the second part. Welsh and Ramsdell were Directors in the latter company; Hardenbergh was its purchasing agent, and Blanchard was its first vice-president. Woodin was a car-builder. The capital stock of the Car Trust was \$3,000,000. Its purpose was the buying, selling, and leasing railroad cars, to be sold or leased to companies owning or operating railroads. The business of the Trust was to be conducted by trustees, who were Edwin D. Morgan and Alfred W. Morgan, of New York. The special business of the Trust seems to have been the leasing of cars to the New York, Lake Erie and Western Railroad Company, and had leased that Company 3,000 freight cars and 500 gondola cars on August 1, 1879, for five years, the rent for them, which was to be 6 per cent. of the principal of all the shares of the Trust Company then outstanding, besides \$69,730, was to be paid in quarterly payments. The Railroad Company was compelled by the lease to keep the cars in good repair, replace at its own cost all that were destroyed, and keep them branded, "Car Trust of New York," the Trust to be kept informed by annual statements of the condition of the cars. If the Company made default in payment of its rent, or any part of it, for thirty days after it was due, the Trust Company had power to remove the cars from the possession of the Railroad Company, the Company to haul them to any point on its line designated by the Trust as most convenient for its further disposal of them.

The declared purpose of this Trust was to furnish needed rolling stock to the Erie, which the Company had not the means to purchase outright, and on terms easy and economical, but the conditions of the arrangement proved to be so much the contrary that in 1884, when the Jewett administration came to an end, the Erie was in default to the Trust Company \$5,666,000, and the Company is to-day paying off that debt, which is for cars supplied to the Erie, some of them nearly a score of years ago, and which were long since worn out and discarded.

## FATHERS IN ERIE.

1829.

WILLIAM C. REDFIELD, who first suggested and mapped out a route and advocated the building of a railroad through the country and over the very ground occupied by the Erie, was born March 26, 1786, at South Farms, Conn. He learned the trade of saddler and harness-maker, and was a born scientist. He announced his plan for a railroad in a pamphlet published in 1829. ("In Embryo," pages 4-5.) The bridge that carries the Chicago and Rock Island Railroad across the Mississippi River is located on the exact spot where he marked on his map that such a railroad bridge should be built. More than a quarter of a century passed before the railroad and bridge were built there, and Mr. Redfield was the guest of honor at the opening ceremonies, in 1854. He continued to agitate the subject of the railroad until the project at last interested others, and resulted in the charter, survey, and building of the Erie. William C. Redfield may then be justly called the "Father of Erie." He was the author of many scientific works, and received the honorary degree of A.M. from Yale College in 1839. He was the first president, in 1843, of the American Association for the Advancement of Science. He died at New York, February 12, 1857, aged 68.

1831.

RICHARD P. MARVIN was the author of the first notice of application to the New York Legislature for a charter for a company to build a railroad from the Hudson River to Lake Erie over the route now covered by the Erie, which notice was adopted at a meeting called by him at Jamestown, N. Y., September 20, 1831. He was a conspicuous delegate to the convention at Owego, December 20, 1831, from the deliberations of which the New York and Erie Railroad resulted. ("Taking Form," pages 10-14.) Mr. Marvin was born at Fairfield, Herkimer County, N. Y., December 23, 1803. He taught school, and studied law, and was admitted to the bar in May, 1829. He settled at Jamestown, N. Y., the following June. He became eminent at the bar. In 1835 he was elected to the New York Assembly, where he was influential in Erie interests. In 1836 he was elected to Congress, and was reelected in 1838. From 1847 until 1871 he was a Supreme Court Justice of the State of New York, and made a lasting reputation for judicial acumen and legal learning. He married, in September, 1834, Isabelle Newland, who bore

him eight children. He died at Jamestown, at the age of eighty-eight.

PHILIP CHURCH drafted, and had it adopted at a meeting held at Angelica, N. Y., October 26th, the notice of application for a charter for a railroad through the Southern Tier counties of New York, from the Hudson to Lake Erie, which notice was the one adopted by the memorialists and petitioners for the charter. He was chairman of the convention at Owego, December 20, 1831. ("Taking Form," pages 10-14.)

Philip Church was a gentleman of the old school, and belonged to the aristocracy, so far as any aristocracy existed in this country at that day. He was born at Boston, April 14, 1778. His father was an officer in the American Army in the war resulting in Independence. His mother was Angelica Schuyler, a daughter of Gen. Philip Schuyler of Albany. Gen. Alexander Hamilton married another daughter of General Schuyler, so that Philip Church was a grandson of Philip Schuyler, and a nephew of Alexander Hamilton. He was educated at Eton. In 1798, at the age of 20, he was appointed by Washington a Captain in the United States Infantry, and January 12, 1799, Gen. Alexander Hamilton made him his chief of staff. May 6, 1800, he became the owner of 100,000 acres of land in Allegany County, N. Y., through which the Genesee River flowed. He laid out a town which he named Angelica, for his mother, and became a resident there in 1805. A large portion of the tract was covered with pine forests of the finest quality, of little value for the want of a market. When railroads began to be talked, Mr. Church at once saw how important one would be to him if it could pass through his vast estate, and to the public at large in opening up that then isolated country, and as early as 1830 he began agitating the possibilities of such a railroad. He labored incessantly in its interest for many years, having been named in the charter as one of the incorporators of the New York and Erie Railroad Company. ("First Administration of Eleazar Lord," pages 21-22; "Administration of James Gore King," pages 34-35; "Fighting Its Way," pages 295-296; "The Building of It," pages 310-311.) February 8, 1807, he was appointed by Gov. Morgan Lewis first Judge of the Common Pleas for Allegany County, an office he held fourteen years. February 4, 1805, he was married to Anna Matilda, daughter of Gen. Walker Stewart, of Philadelphia, and took his bride to his home in the Genesee wilderness. They had nine children, of whom but two, Maj. Richard Church, of New York, and Mrs. Horwood, of London, survive. Judge Church died January 10, 1861.

## THE PRESIDENTS OF ERIE.

1833-1835; 1839-1841; 1844-1845.

ELEAZAR LORD.—Eleazar Lord, A.M., LL.D., was born September 9, 1788, at Franklin, Conn. His early boyhood was spent among the quiet scenes of that even-tenored rural vicinage, where his elementary education was obtained in the district schools. At the age of sixteen, in 1804, he left home and began life as a clerk in a store at Norwich. In 1808 he returned home to prepare himself for college, under the direction of the Rev. Dr. Lee, of Lisbon, of whose church (Presbyterian) he became a member in 1809. After two years of preparatory study, he entered Andover Seminary, and remained there three and a half years. While there he became deeply interested in the subject of Foreign Missions, an interest that remained active with him all his life. He wrote the first pretentious work in the literature of that department of the church ever published in this country: "A History of the Principal Protestant Missions to the Heathen." It was published in 1813 at Boston.

In September, 1812, he was licensed to preach by the Haverhill Association at Salem, N. H. He had no regular charge, but preached acceptably at various places for a year. He entered Princeton College, where for some months he attended the lectures and recitations of that celebrated institution. A serious affection of the eyes compelled him to give up his cherished position in life to devote himself to secular concerns, the exactions of which would not demand the sacrifice of his sight. He engaged actively in commercial and financial affairs, and while giving to them necessarily a large part of his time, his inclinations for religious work and its advancement were not permitted to languish in the slightest degree.

In 1815 he personally called a public meeting of the citizens of New York City to consider the subject of Sunday-schools, then an untried branch of church work. He organized the New York Sunday-school Union Society, and became its corresponding secretary. He spent much time in organizing Sunday-schools, and in editing and superintending the publication of Sunday-school literature. In 1816 he was a member of the convention in New York City that organized the American Bible Society. In March, 1817, his eyes again warning him, he spent nearly a year and a half travelling in Europe. While abroad he met and established cordial relations with all the prominent reformers of the day, philanthropical, evangelical, and political, among them Wilberforce, Canning, Rowland Hill, Chalmers, Macaulay the elder, Sir Thomas Baring, and hosts of others.

He returned to New York in 1818. He was instrumental, in 1826, in the formation of the American Home Mission Society, of which he was the first corresponding secretary. He wrote the first annual report of this society.

In 1819 Mr. Lord was selected by the leading merchants of New York City to go to Washington in their interest as an advocate for the adoption by Congress of a protective tariff, which, they held, would be for the general good of the country. The measures he prepared were passed in 1820, but the business men of the East insisted that the tariff was not yet protective enough, and in 1823-4 Mr. Lord was sent to Washington to advocate still further tariff revision. His views were opposed by Clay, Calhoun, and all the Southern and some of the Western statesmen. His arguments were such, however, that Clay finally acquiesced in them, and used them in his subsequent speeches in and out of Congress, whence came his fame as the "Father of the American System."

In 1821 Eleazar Lord obtained the charter for and organized the Manhattan Fire Insurance Company of New York, of which he was president twelve years. During the management of Mr. Lord the Manhattan Company paid annually dividends of nine per cent.

Early in 1827 Dartmouth College and Williams College each conferred the degree of Master of Arts on Eleazar Lord. In that year the banking system then in operation in New York State had shown its utter inefficiency by the deplorable condition into which the banks had fallen, and Mr. Lord turned his attention toward placing it on a sounder basis. In 1828-29 he wrote and published a book entitled, "Credit, Currency and Banking," in which he recommended a system that he claimed would remedy the defects of the one prevailing. His recommendations became the foundation of what was known as the Free Banking System, and from 1838 until it was replaced by the national banking law, it remained in force in New York State, and was adopted by others. When, during the emergency that came with the Civil War, the Committee on Ways and Means in Congress was devising a method to best sustain the finances of the country, Mr. Lord was summoned by it to give the benefit of his knowledge of and experience in practical finance. In response, he formulated the plan, and made the original draft of the bill authorizing its adoption, on which the present national banking system was established.

Eleazar Lord was one of the originators of the New York and Erie Railroad Company, and was elected its first president August 9, 1833. His plan for the construction of the road through the Susquehanna Valley, and the work he did under that plan, may well be wondered at now, as it was

then, but that his motives were honest, sincere, and intended for the promotion of the best interests of the Company and the hastening of the enterprise to successful issue, not one of his most bitter detractors, if any are living to-day, would undertake to deny. His insistence on the six-foot gauge was also an unfortunate error in judgment. In spite of these, however, the fact remains that Eleazar Lord tided the New York and Erie Railroad Company over some of its darkest days. ("Administrations of Eleazar Lord—First, Second, and Third"—pages 20-31, 48-51, and 74-85.)

Mr. Lord's busiest years were doubtless those of the Erie Railroad period, yet from 1831 to 1844 he wrote and published five books on scientific and religious subjects, besides numerous papers for magazines on similar subjects. From that time until 1866 he added to his literary work many volumes, having for their subjects finance, general and doctrinal theology, history and science, besides innumerable reviews for magazines and periodicals. During the same time he was in constant correspondence with most of the leading men in this and foreign countries. In 1866 the degree of Doctor of Laws was conferred upon him by the University of New York. In 1855 he published his "Historical Review of the New York and Erie Railroad."

Mr. Lord married, July 12, 1824, Elizabeth Pierson, only daughter of Hon. Jeremiah H. Pierson, of Ramapo, N. Y. She died May 3, 1833. December 31, 1835, he married Ruth Thompson, daughter of Deacon Eben Thompson, of East Windsor, Conn. Seven children were born to him by his first wife. None survive but Sarah Pierson Lord Whiton, wife of W. H. Whiton, Esq. This daughter and her husband occupy the Lord homestead at Piermont-on-the-Hudson, where Eleazar Lord died, June 3, 1871, aged 83 years. The portrait of Mr. Lord which accompanies this sketch was taken from a miniature likeness painted on ivory when he was 36 years old, and which was a gift from him to his betrothed, in 1824.

#### 1835-1839.

**JAMES GORE KING.**—James Gore King was born in New York City on May 8, 1791. He was the third son of the distinguished statesman, Rufus King, and of Mary Alsop, daughter of John Alsop, one of the most eminent of early New York citizens. As a child he spent several years in England, his father being Minister Plenipotentiary of the United States to the Court of St. James. He returned to this country in 1803, entered Harvard College, from which he was graduated in 1810. He studied law and was admitted to the bar, but in 1815 abandoned that profession to enter into the more congenial pursuits of mercantile life.

In 1815 he established a commission house in New York City, and in 1818 removed to Liverpool, where he remained in business until 1824, when he returned to New York. Upon the recommendation of John Jacob Astor, he was offered a partnership in the then great banking house of. Prime, Ward & Sands, of New York. Of this house and its successor,

Prime, Ward & King, he remained a leading member until 1847, when he withdrew and established the firm of James G. King & Sons. It was while in the enjoyment of the great prestige he had won as a member of the first-mentioned house that he was selected in 1835 as President of the New York and Erie Railroad Company. The story of the difficulties he encountered and bravely endeavored to overcome in the advancement of the great undertaking of that Company is told with much detail in the historic chapters of this volume, but it may be mentioned here that the first ground for the Erie Railroad was broken by him November 6, 1835, at Deposit, N. Y.; that he raised the first money to pay contractors for work on the road; that he was instrumental in negotiating the first State stock of the Company, through Prime, Ward & King, so that much-needed money could be obtained without delay; that he began the first work on the road at the eastern end, at Piermont, in 1838; and that he only ceased his efforts to forward the interests of the struggling company, after a few years' term of office, when he found that it was impossible to secure the coöperation of New York capitalists in the great enterprise that meant so much to their welfare and the welfare of the metropolis, and that influences in the Legislature, and within the Company itself, were opposing his plans. ("Administration of James Gore King," pp. 32-47.)

James Gore King's great financial genius, and the influences he wielded as an individual in the financial world, are best testified to by his record during the disastrous crisis of 1837. Through his efforts the Bank of England consented to advance a large amount of specie to enable the resumption of specie payments in this country, and to restore financial strength and confidence to it. This Mr. King did by his own personal power, winning over to his opinion and wishes the governor of that conservative and powerful institution.

Mr. King resigned as President of the New York and Erie Railroad Company in 1839. In 1848 he was elected a representative to the Thirty-first Congress from New Jersey, he being then a resident of that State, living at a beautiful country seat on Weehawken Heights. In 1817 Mr. King was one of the reorganizers of the New York Chamber of Commerce, and was ever afterward one of its most conspicuous and influential members. In 1841 he was elected vice-president of that institution. In 1845 he was chosen president unanimously. He resigned in 1847 to go abroad. The next spring, on his return, he was reelected president, Moses H. Grinnell withdrawing in his favor.

Mr. King married, February 4, 1813, Sarah, daughter of Archibald Gracie, a distinguished New York merchant of that day. He died October 4, 1853, only a short time after the railroad he had spent so much of his time to carry to a successful issue against overpowering odds, was completed. His portrait, painted at the order of the Chamber of Commerce, by Thomas P. Rossiter, hangs on the walls of the chamber, among the portraits of the other distinguished members of that body who were in their day potent in the affairs of the commercial world.

1840-1842.

GEN. JAMES BOWEN.—James Bowen was born at New York City in 1808. His father was a merchant of ample means, and the son was liberally educated. He was not trained to any profession or business calling, but he cultivated habits of business voluntarily and intuitively. He was a close and persistent student of public affairs, and among his intimate associates were Daniel Webster, Gen. James Watson Webb, William H. Seward, Philip Hone, Moses H. Grinnell, Charles A. Peabody (subsequently of national fame as a jurist, who is the only survivor of that notable coterie), and men of similar cast and bent of mind. Most of them were members of a society famous in its day as the Hone Club. Its membership was not only exclusive but limited. Healey's celebrated painting of Webster belonged to this club, and a resolution was passed by the club that the painting should pass to the heirs of the last surviving member. James Bowen was that one, and the painting is now in the possession of Gen. Alexander S. Webb, of New York, to whom it was willed by him. Early in life Mr. Bowen developed a taste for rural life, and he purchased an estate in Westchester County, which was ever after his home. Railroad affairs attracted his attention while the New York and Erie Railroad was in its earliest struggles, and it was at the request of James Watson Webb that he took a leading part in the direction of that company. He was elected a director in 1839; vice-president and treasurer, April 30, 1840, and president *pro tem*, May 27, 1841, and president in October, 1841. ("Administration of James Bowen," pages 52-66.)

Upon the passage of the act creating the Metropolitan Police of New York City in 1857, James Bowen was appointed by Governor King one of the first Board of Police Commissioners under that act, his associates in the Board being Simeon Draper, James W. Nye (afterward United States Senator), James S. T. Stranahan, and Jacob Chandler. Mr. Bowen was elected president of the Board, and had charge during the exciting and riotous days of Mayor Fernando Wood's organized but unsuccessful opposition to the replacing of his police force by the new one.

During the Civil War Mr. Bowen organized six regiments of volunteers. He ceased to be president of the Police Board at the close of 1862. He was appointed general of the brigade composed chiefly of the six regiments he had enlisted. He went to New Orleans with his command, where he served one year, when he was appointed provost marshal of that department, which embraced Louisiana, Texas, Arkansas, Mississippi, and Alabama, as far as the United States Government had regained control over these States. Just before the war ended General Bowen was compelled by broken health to resign from the army. He returned home, and was soon appointed a Commissioner of Charity and Correction of New York City. While he was in office the Legislature increased the salary of these commissioners from \$5,000 to \$10,000 a year. General Bowen

declared at a meeting of the Board that the increase was an outrage, and he resolutely refused to receive more than the former salary. The attitude he took in the matter resulted in the repeal of the law that authorized the increase. General Bowen served two terms as charity commissioner, and introduced the ambulance system in the hospital service. He greatly improved the standing and efficacy of Bellevue Hospital, by insisting that the best medical skill should be employed there, with the result that to-day a course in the Bellevue Hospital practical schooling in medicine and surgery is considered recommendation sufficient as to the capacity of any beginner in the professional practice of medical science.

In 1842 James Bowen married Eliza Livingston. She died in 1872. In 1874 he married Josephine Oothout, daughter of John Oothout, then president of the Bank of New York. He survived her, and married Athenia Livingston, a cousin of his first wife. There were no children by either marriage.

General Bowen died September 29, 1886, at Hastings-on-the-Hudson, where he owned a fine estate, his home being preëminently one of culture and refinement. He was a man of entirely domestic habits, of quiet temperament and fine literary taste. His widow married Judge Peabody, his old-time warm friend and associate.

1842-1843.

WILLIAM MAXWELL.—Guy Maxwell was the father and founder of the Maxwell family of which William Maxwell was a scion—a name itself that savours rather of mediæval romance than of one who managed banks, dug canals, and was adopted as a chief into a tribe of the Seneca Indians. Guy Maxwell's father, Alexander Maxwell, and his mother, Jane McBrantuey, belonging to the Clan McPherson, left Glasgow, Scotland, in 1770, to come to this country. The ship was driven on the coast of Ireland by a storm. There, in the County Down, Guy Maxwell was born. Two years passed before the Maxwells at last reached America. They settled near Martinsburg, Va. From Martinsburg had gone, some years before, into the Susquehanna Valley, settling at Wilkes-Barre, Pa., a man of the name of Matthias Hollenback. He was a banker, a farmer, a merchant, and a fighter. He later won the title of colonel in the Revolutionary War. He became the biggest man of his time in Northern Pennsylvania and Southern New York. His operations extended up the Susquehanna and Chemung rivers, and at every "point" or trading post, all along the valley, he had a store. He opened up the country with his push and his accumulated capital. His was a heroic figure of that time and locality. When Guy Maxwell was about eighteen years of age, Colonel Hollenback was down in Martinsburg and met him, and was so pleased with him that he invited the young man to return with him to what is now Elmira, N. Y., and take charge of the Hollenback enterprise there. Young Maxwell seized the opportunity, and went. It was the making of him and of the locality to which he emigrated. Two years later he

returned to Martinsburg and married a relative of Colonel Hollenback, taking her with him to the new country.

Guy Maxwell was the first Internal Revenue Officer of that region, a very important office in those days. He was also sheriff of Tioga County, when to be a sheriff was indeed an honor and a dignity in the estimation of the people. He achieved much local distinction in many other ways. In the War of 1812, the "embargo" brought disaster to many of his undertakings. He died less than forty-four years of age, in 1814.

William Maxwell, Guy Maxwell's third son, was one of the strongest men of his day, politically, financially, and socially, in his own locality and in the State. He was born at Tioga Point, now Athens, Pa., February 11, 1794. His parents removed that year to Newtown Point, now Elmira. He was educated in the schools of that neighborhood, and studied law in the office of Fletcher Mathews, a distinguished member of the bar at that time. In 1822 he was the District Attorney of Tioga County, of which Chemung County was then a part; in 1829 he was the surrogate of the county, and was a member of the Assembly in 1838 and in 1847. He was a delegate from the county to the State Constitutional Convention of 1846. He was always prominent in the public affairs of the town and county, and was connected with the formation of the Chemung Canal Bank, one of the earliest enterprises of the kind in the Southern Tier. At one time most of the land in the Third and Seventh Wards of the city of Elmira, and reaching beyond for two or three miles toward Horseheads, stood in his name. He was a power in the Democratic party in those times in that region, and what he said became the order of things. It was largely through his push and influence that the Chemung Canal was constructed, and his enterprise and money helped on most of the railroad enterprises centring in Elmira. He early became interested in the project of the New York and Erie Railroad, and was an influential delegate to several of the conventions held to adopt measures looking to the furthering of the prospects of that undertaking. It was the part he took at a convention held at Owego in the spring of 1842 that brought him into the prominence in Erie affairs that resulted in his being made president in the fall of that year. He married Zerwiah Baldwin, September 15, 1814, a daughter of William and Azubah Baldwin, pioneers of the Chemung Valley. One son was born to Mr. Maxwell, but died in infancy. They adopted as their daughter a niece of Mrs. Maxwell, Azubah McQuhae, who survives. Mr. Maxwell died at Maxwell Park, Elmira, November 22, 1856. An old-time resident of Elmira (Ausburn Towner, now of Washington, D. C., to whom the author is indebted for this sketch) pays this tribute to William Maxwell:

"I remember him ever since I can remember anything. He lived in one of the most beautiful spots in the valley, a big brick house, with a great lawn, and lots of trees, that must have belonged to the original forest there. He was very fond of children, and I have played for hours in and about his house. He was fitted by intellect and educa-

tion to fill any position in the country, from President down."

1843-1844.

HORATIO ALLEN was born at Schenectady, N. Y., May 10, 1802. His father was professor of mathematics in Union College. Horatio Allen was graduated from Columbia College in 1820. He became a civil engineer, and entered the service of the Delaware and Hudson Canal Company, which, in 1825, began the construction of its canal to connect its mines in Northern Pennsylvania with tide-water on the Hudson. In January, 1828, he was sent by that company to England to purchase three locomotives for use on its railroad at the head of the canal and about the mines. One of the locomotives arrived at New York in the winter of 1828-29. It was called the "Stourbridge Lion." This locomotive was shipped to Honesdale, Pa., the head of the canal and terminus of the railroad from the mines, and was set up on the track by Mr. Allen. August 9, 1829, Horatio Allen ran it on a trial trip, and thus became the first engineer on the first locomotive that ever turned a driving-wheel on a track on the American continent. ("Administration of Benjamin Loder," page 107.) As a matter of fact, the running of this locomotive antedated by two months the trip of Stephenson's locomotive "Rocket," from which trip the success of steam power on railroads is dated. This is an important historical fact that has always been overlooked.

In September, 1829, Mr. Allen became chief engineer of the South Carolina Railroad at Charleston, the first railroad in the world to be projected with the declared intention of its projectors of using locomotives as the motive power upon it, this on the emphatic recommendation of Horatio Allen. Mr. Allen remained in the service of that company until 1834, in which year he married a daughter of the Rev. James Dewar Simons. He returned to New York, and became president of the Novelty Iron Works, which constructed the machinery for most of the steamers of the Collins and Clyde lines. He also was an engineer in the construction of the High Bridge across the Harlem River, and the reservoir at Forty-second Street and Fifth Avenue, which (1899) is about to be removed to make room for the great New York Public Library of the Astor, Lenox, and Tilden foundation. He invented the making of car-wheels from paper. In 1844 Mr. Allen was called to the presidency of the Erie, at a most critical time in its affairs. ("Administration of Horatio Allen," pages 67-73.) In 1846 he was president of the board of commissioners appointed to resurvey the route of the Erie over the location where changes were proposed (in Sullivan County, N. Y., and west of Deposit, N. Y.), which resulted in a report advising the change, Mr. Allen casting the deciding vote. ("Administration of Benjamin Loder," pages 88, 89; "Fighting Its Way," pages 305-307.) In 1849 Mr. Allen was appointed consulting engineer of the Erie, which office he held at the time of the opening of the railroad to Dunkirk, in 1851. He died at East Orange, N. J., January 1, 1890.

1845-1853.

**BENJAMIN LODER.**—Soon after Benjamin Loder was chosen president of Erie in 1845, he invited twenty-two of the richest men in New York City to meet him in conference at the New York Hotel. They met, and he at once declared to them that among them they must subscribe sufficient money to start up the work on the railroad and keep it going, a sum which he placed at \$3,000,000. To set an example to the others, he himself subscribed \$250,000, his entire fortune. Stephen Whitney, the millionaire cotton-merchant, was one of the men present at the meeting. He pulled at Mr. Loder's coat-tail to attract his attention, and admonished him not to risk his all in the enterprise.

"It will ruin you," the cautious cotton-merchant whispered in his ear.

But President Loder shook his head, and refused to withdraw the subscription. Aroused by his confidence in the enterprise, the twenty-two men there and then subscribed the required amount.

The story of the struggles of Benjamin Loder in pushing the completion of the railroad from Middletown to Dunkirk is graphically told in the chapter on his administration of Erie in this History (also, "The Building of It," page 388). He was born at South Salem, Westchester County, N. Y., February 15, 1801. He began life as a school-teacher, and later engaged in the wholesale dry-goods trade in Cedar Street, New York. Having accumulated a comfortable fortune, he had retired from active business life at the age of forty-three, when the reputation he had made as a progressive and successful business man led the struggling New York and Erie Railroad Company, at a crisis in its affairs, to solicit him to take hold of them, and endeavor to save the Company from ruin. He was elected president, August 14, 1845, succeeding Eleazar Lord, and remained at the head of the Company eight years. He retired from the presidency broken in health. A friend, knowing of his large subscription to the stock of the Company, asked him, soon after he had retired, if he lost his money.

"No," said he, "I neither lost nor made any money while with the railroad."

As a matter of fact, the money President Loder received for his services, which were given night and day, barely reimbursed him for his expenses. ("Administration of Benjamin Loder," pages 86-113.)

In course of time, Mr. Loder's health was restored to somewhat of its old vigor, and he spent the closing days of his life in Westchester County. He died at Rye, October 7, 1876, aged seventy-five years. He was a modest, able, generous, and honest man. He was survived by two sons and five daughters. The older of the two sons died in 1890.

1853-1857.

**HOMER RAMSDELL.**—Homer Ramsdell was born in Warren, Worcester County, Mass., August 12, 1810. His par-

ents were Joseph and Ruth Stockbridge Ramsdell, natives of the old town of Hanover, Mass., both being representatives of pioneer families. He was educated at the Academy of Monson, Hampden County, Mass., and after the close of his educational course, entered the dry-goods trade in New York, where he remained from 1832 to 1840. In 1844 he became one of the freight-forwarding firm of Thomas Powell & Co., of Newburgh, N. Y., and was a member of that firm all the rest of his life. The history of Newburgh for over a quarter of a century has been his history. Thomas Powell died in 1856. Mr. Ramsdell, by purchase and consolidation, added other forwarding lines to his enterprises, embracing not only those of Newburgh, but those of Poughkeepsie, Fishkill, and Highland, so that at his death he stood at the head of the forwarding and transportation business of the Hudson River. In 1845 Mr. Ramsdell came conspicuously to the front in Erie affairs, and not only was instrumental in restoring them to stability at a critical time, but made the Erie project at the same time subserve the interests of Newburgh. ("Third Administration of Eleazar Lord," pages 76-83.) Later in that year he was elected to the Board of Directors, and, excepting a brief interval, he continued in the board through the various changes of administration up to the coming in of Hugh J. Jewett. In 1845 the question of the change of gauge of the Erie Railroad from six feet to four feet eight and one-half inches was discussed, and Mr. Ramsdell advocated and voted for the narrow gauge. ("The Building of It," page 338.) In June, 1853, he was elected president of the Company. He served four years. ("Administration of Homer Ramsdell," pages 114-122.) He resigned in July, 1857. A committee in behalf of the Board, by letter, after expressing for him their personal esteem and their appreciation of other valued services rendered by him to the Company, wrote as follows: "We desire particularly to tender the thanks of the Board for that crowning service of your administration, your original conception and judicious purchase of the Long Dock property, which project, when fully completed and annexed to the Erie Railroad, will constitute an unbroken channel of communication between the immense granaries of the productive West and the markets of this great metropolis and Europe, so that while one end of our road terminates at the lakes and rivers of the West, the other end shall discharge and receive its freights and passengers at the wharf shipping at the port of New York, an advantage of location, productiveness, and economy which is without precedent in the history of railroads, and as long as New York continues the great commercial centre and distributing point for the commerce of this country, the Erie Railroad must be the great channel of its western transportation. Your project has, therefore, not only rendered the Erie Railroad a permanent and valuable auxiliary to the commercial prosperity of our city, but it opens at the same time an unfailing resource of income to the Company which must yield a permanent profit to the stockholders." The construction of the Hawley Branch of the Erie Railroad was originated by Mr. Ramsdell. ("The

Building of It," page 369.) Mr. Ramsdell was also active and influential in promoting the construction of the Newburgh and New York "Short-cut" Railroad between Vail's Gate on the Newburgh Branch and Greenwood (now Arden) on the main line of the Erie. Before the introduction of railroads into our system of internal communication, the migration from New England to the more productive lands of the West was largely through Newburgh. To restore this lost trade, Mr. Ramsdell was among the first advocates of a railroad from New England, and nearly fifty years ago made the first reconnoissance of the country preparatory to such an undertaking, the ultimate result of which was the New York and New England Railroad.

Mr. Ramsdell was married, June 16, 1835, to Frances E. L., daughter of Thomas Powell, of Newburgh. The children of this marriage were Mary L. P., who died in childhood; Frances J., wife of Major George W. Rains; Thomas P., James A. P., Henry P., Homer S., and Leila R. Homer Ramsdell died at Newburgh in 1892.

#### 1857-1859.

CHARLES MORAN.—Charles Moran was born at Brussels, Belgium, October 31, 1811. He came to New York while a young man and engaged in business, becoming in time senior partner in the dry-goods commission and importing house of Moran & Iselin. This firm was dissolved in 1852, Mr. Moran retiring. He had won an enviable reputation as a careful and successful business man, and as his bent was toward finance, he founded the New York banking-house of Moran Brothers. The foreign correspondence of the house was particularly extensive and of high class, which fact gave Mr. Moran extraordinary opportunity for the placing of American loans abroad. It was his success in this way in 1856, with a large Erie loan, that made him a conspicuous figure in railroad financiering, and turned the attention of the Erie toward him in a time of emergency, and induced it to call him to the management of its critical affairs. He became president of the Company on the eve of the great financial upheaval of 1857, the disastrous effects of which harassed and hampered his earnest efforts in the herculean task he had undertaken, all through his two years' administration. ("Administration of Charles Moran," pages 123-129.) Few men would have faced the obstacles he encountered, much less have attempted to overcome them. Mr. Moran retired from the Erie management, August, 1859, and gave his entire attention to his banking business. He continued as senior partner of the house he founded until his death, July 22, 1895.

#### 1859-1861.

SAMUEL MARSH.—Samuel Marsh was born in 1786, at Haverhill, Massachusetts, and died in 1872, at the Astor House, New York, at which place he had resided a greater portion of his long and useful life. His New England ancestry, traced back through the landing of the Pilgrims in 1638,

becomes in the twelfth century, not Marsh, but de Marisco, with Marsh quaintly written as a parenthetical alternative in the manuscripts.

Samuel Marsh came to New York during the War of 1812, and from that time made the metropolis his home. After the cessation of hostilities with Great Britain, he travelled long in Europe for the purpose of completing his business education and familiarizing himself with the usages of European trade. In 1819 he established the New York Dyeing and Printing Company, with factories on Staten Island, and was its president until his death.

The development of the canals of the United States greatly interested him, and in the early part of the century, in connection with Erastus Corning, Horatio Seymour, and others, he projected a canal system by which the waters of the Great Lakes and the Mississippi River were to be connected. The name of the enterprise was the Fox River Improvement Company. Many millions of dollars have been expended on it. The project greatly aided the material growth of the State of Wisconsin, although as yet the canal is not available for vessels of deep-water draught.

Mr. Marsh was among the pioneers of railways in America. He was one of the twenty gentlemen who met in 1845, at the New York Hotel, on the invitation of Benjamin Loder, and united in a subscription amounting to three millions of dollars, which was intended to complete the construction of the Erie.

From 1846 until 1865, Mr. Marsh was vice-president of the Erie Railroad, his incumbency of that position being occasionally interrupted by his being called upon to assume the duties of president *ad interim*. He invariably declined to permanently assume the office of president of the corporation.

Mr. Marsh engaged with the late Moses Taylor, John I. Blair, and others in construction of railroads in various parts of the country, and until within a few weeks of his death, at the age of eighty-six, he actively superintended the vast interests under his control. Although he never married, his home at the Astor House was a happy one, and many friends were made welcome there, and many of the older New Yorkers spent care-dispelling hours in his company. Mr. Marsh was the ever-watchful adviser and instructor of his nephew, Nathaniel Marsh, as to his duties as secretary, receiver, and president of Erie.

#### 1862-1864.

NATHANIEL MARSH.—Nathaniel Marsh was born November 27, 1815, at Haverhill, Mass. He entered Dartmouth College at the age of sixteen, graduating at the age of twenty, in 1835. He began the reading of law in the office of the Hon. James H. Duncan, of Haverhill. He did not take kindly to the law, and went to Kalamazoo, Mich., where he became a school-teacher. Soon afterward he was appointed clerk of one of the courts of Michigan, and he abandoned his career as an educator to accept the place. In the fall of 1837, he relinquished his office,

went to New York, and joined the staff of the *New York Express*, then edited by James and Erastus Brooks. Mr. Marsh was associate editor of the *Express* until 1841, having, in May, 1839, married Miss Brooks, the only sister of the *Express* editors. In September, 1841, he was appointed first assistant to the postmaster of New York City, and in 1845 he was unanimously chosen to be secretary of the New York and Erie Railroad Company, at the time of its rehabilitation under Benjamin Loder. He remained at his post of secretary under all the trying times of the Loder administration, through the darkening and discouraging events of the Homer Ramsdell administration, and during the futile efforts of Charles Moran to stem the tide of misfortune that circumstances had set in upon Erie; and when the Company succumbed, in 1859, to the inevitable, he was appointed receiver. On the reorganization, January 1, 1862, he was chosen president of the new Company. This he accepted, and before entering upon the new duties he authorized a settlement of his accounts as receiver, in which he voluntarily relinquished more than half of the compensation to which he would have been entitled under the ordinary mode of computation in such case. In about a year after the reorganization, he began to show marked signs of failing—signs which he disregarded, notwithstanding the warnings of anxious friends, and he permitted himself to be reelected president a third time in 1864. He was at his desk at the Erie offices daily up to a week before his death. He died July 22, 1864, suddenly, and at an unexpected moment, although his death was known to be imminent. Mr. Marsh was the only Erie president to die in office. His loss to the Company was fittingly recognized by official action of the Board.

In April, 1846, Mr. Marsh lost his first wife. She left in his charge three small children, one but a few days old. One of his sons is Samuel Marsh, Esq., a well-known New York lawyer. He was married a second time in December, 1848, to Miss Julia Townsend, daughter of William Townsend, Esq., of Staten Island, by whom he had four children.

#### 1864-1867.

**ROBERT H. BERDELL.**—Mr. Berdell had been remarkably successful in the management of his own private business, against oppressive odds, and had won place and fortune. He became president of the Long Dock Company in 1858, and managed its then critical affairs as successfully as he had his own business, with the result that the Long Dock credit was restored, its stock made one of the most valuable of investments, and its work of completing the Erie terminals at Jersey City accomplished. Mr. Berdell became a conspicuous member of the Erie Directory, and was elected president, October 14, 1864, and was reelected in 1865 and 1866. During the latter year he came into conflict with the Vanderbilt influence in the Board as to the policy of the Company, the plans of that influence being, in his opinion, dangerous to the future of the Company. His following in the Board being in a minority, the opposing influence prevailed, and he retired

from the Company in October, 1867. Time proved that Mr. Berdell's estimate of the policy he had refused to sanction was more than true. ("Administration of Robert H. Berdell," pages 139-146.)

Robert H. Berdell was born October 1, 1820, near Somertown, Westchester County, N. Y. Circumstances compelled him early in life to become self-supporting, and while earning his living he managed also to so inform and educate himself that when he came to man's estate he was well equipped for the serious battle of life. While yet a young man he engaged in commercial business in New York City, and such was the natural force of his character, and such was his resourcefulness, that in a few years he had established a place among the leading merchants in his line, and acquired a competency. Once in his career he was pushed to the wall by the failure of heavy creditors in a time of financial stress, but he quickly recovered his standing, settled his obligations, and in time conquered a higher place in the commercial world than he had ever held. Mr. Berdell made a large fortune in his business, which he more than once, together with the credit of his name, used in aid of the Long Dock, and subsequently of the Erie, in their hours of trial.

Mr. Berdell was twice married. His first wife was Miss Elizabeth A. Clowes, of Hempstead, L. I., whom he married in 1843. She died in 1861, and in 1862 Mr. Berdell married Miss Harriet A. Barnard, of New York. For many years previous to his death Mr. Berdell made his home in New York City, where he died June 25, 1896. He was survived by two sons and one daughter: Theodore Berdell, Charles Prescott Berdell, and Mrs. L. A. Berdell-Miller.

#### 1867-1868.

**JOHN S. ELDRIDGE.**—John S. Eldridge was born in Yarmouth, Mass., September 23, 1818, and died in New York, March 23, 1876. He was a lawyer by profession, a resident of Canton, Mass., and came to have much experience relating to matters of railroad corporations. At the time of his election as president of the Erie Railway Company he was president of the Boston, Hartford and Erie Railroad Company, whose road it was then proposed to extend to the Hudson River at Newburgh, and thus give the Erie a New England connection. It was due to the interests desiring this consummation that he became president of the Erie Railway Company, October 8, 1867. The chaotic condition into which the Drew-Vanderbilt complications threw the Erie greatly disarranged President Eldridge's plans, but they were at last consented to and adopted. The bonds of the Boston, Hartford and Erie Railroad Company having received the guarantee of the Erie, and the influence of Jay Gould in the latter Company foreshadowing the predominance it soon afterward assumed, Mr. Eldridge, in July, 1868, resigned as president of Erie, believing that he could serve no further the interest he represented by retaining the position. ("Administration of John S. Eldridge," pages 147-160.)

1868-1872.

JAY GOULD was born at Roxbury, Delaware County, N. Y., May 27, 1836. His father was John B. Gould, who was a farmer, and during his childhood days the future financier and railroad magnate worked on the farm, his spare hours being spent in getting such education as the district school could give.

Before he was twelve years old he hired out as clerk in a store in Roxbury village, at \$16 a month. At fourteen years of age he entered the academy at Hobart, N. Y., to increase his store of education, keeping the books of the village blacksmith, and receiving private instruction from his elder sisters, out of school hours. He exhausted the course of study at Hobart in six months, and became a clerk in a hardware store, devoting his spare time to the acquiring of a knowledge of surveying and civil engineering. His recreation was the reading of history, for which he always had a fondness. To obtain practical knowledge of his chosen profession, he worked at surveying, with borrowed implements of a rude character, and with the aid of village boys as chain and flag bearers, rewarding them for their services by giving them toys that he invented and made himself. At fifteen he was made an equal partner in the firm he was clerking for. He increased the business of the firm, but the business was not to his taste, and in the spring of 1852 he gave his interest in it to his father, and took up his profession of surveying. He engaged with a surveying party that had been hired to make a map of Ulster County. His salary was \$20 a month. The projector of this scheme failed, and did not pay young Gould the salary due him, and the latter determined to complete the work himself, which he did, undergoing great physical hardship and mental distress while doing it. He had as his associates in the undertaking a young surveyor named Oliver J. Tillson and a man named Peter H. Brink. The map was completed in December, 1852, and he sold out his interest to Tillson and Brink for \$90 and an odometer. In the spring of 1853 he began surveying for a map of Albany County, and completed the survey the following fall. During the ensuing winter he finished the map, which he sold, and made several hundred dollars. While he was surveying for that map, he made a map of the village of Cohoes, for which he received \$600. It was in that year, also, that he took the contract for building the Albany and Niscayuna plank road. While he was engaged in this work, parties who objected to its passing through their land served a writ on him to appear at Albany three days later and show cause why he should not be enjoined from going on with the work. He asked Hamilton Harris, the Albany lawyer, if there was any law to prevent him working on his contract pending the hearing as to the injunction. Mr. Harris assured him that there was not. Young Gould at once employed all the men he could find, and teams to haul lumber, and kept on with his work, early and late. When the day for the hearing came, he was on hand. The decision was that the injunction should issue, and it was

issued. When the officer went to serve it, however, he found that there was nothing to enjoin, for the plank road was finished and ready for operation!

By prosecuting his surveying and map-making during the next three years, young Gould, at the age of twenty, had accumulated \$5,000. In the meantime he had written and published a "History of Delaware County," a remarkably complete work of 450 pages, and exhibiting literary qualifications of a high order. Copies of that history to-day are rare and almost priceless. In 1857 Zadock Pratt, the great Greene County tanner, was attracted to the ability of Gould, and he made him a partner in a big tannery enterprise in Luzerne County, Pa. The Delaware, Lackawanna and Western Railroad was just being built through that region, and a station that had been called Sand Cut was changed to Gouldsboro, in honor of Gould, and it became the station for the tannery the firm of Pratt & Gould erected. This was built under the personal superintendence of young Gould, who himself chopped down the first tree where the clearing was to be made in the wilderness for the tannery and its plant. He built a plank road from the railroad station, and a settlement so important grew up around the tannery that a postoffice was established and Gould was appointed postmaster. The young business man began his career as a financier by aiding in the establishing of a bank at Stroudsburg, the county seat of Monroe County, Pa., of which bank he became a leading director.

In 1859, Gould, then but twenty-three years old, bought out his partner for \$60,000, capital being provided chiefly by Charles M. Leupp, an old-time Erie Director. Upon the death of Mr. Leupp, a few weeks later, his heirs cancelled the arrangement with Gould, and, during his absence in New York, took possession of the tannery property and evicted Gould's employees. When Gould returned he massed his forces, routed his opponents, and regained possession of the property, which he held and operated until an amicable settlement of the difficulty was made, and he retired from the tanning business.

He then went to New York, and soon became interested in railroads. He was placed at the head of the management of the Rutland and Washington Railroad, which was in straits. He succeeded in putting the property on its feet, in the meantime buying up the discredited bonds of the company at ten cents on the dollar until he had control of it. He consolidated it with the Saratoga, Whitehall and Rensselaer Railroad Company, under the latter title, and under Gould's management the securities soon went to and above par. This was Jay Gould's first transaction in railroads, and it brought him a capital of no mean amount. With it he established himself in Wall Street.

At the age of thirty-two Jay Gould became president of the Erie. When he died, at fifty-six, he was owner of the Pacific Railroad system, the Western Union Telegraph Company, the Atchison, Topeka, and Sante Fé system, the Elevated Railroad system of New York, and other princely possessions.

It has been truly said that in downright dramatic interest, in its exhibition of results achieved through the exercise of intellectual qualities which were themselves an achievement, and in the example which it furnishes of the consistent development of traits which can scarcely be considered as the dower of heredity, Jay Gould's life-story surpasses by far the history of any of his great contemporaries in finance and in the management of stupendous enterprises—and in the generation in which he lived his active and wonderful business life there were such masters of finance and such giants in the management of great affairs as were known in no former epoch of the world's history.

It was from his connection with the management of the Erie Railway Company that Jay Gould first became widely known as a man of wonderful sagacity, fertility of resource, tenacity of will, and determination of purpose. It was that connection, also, that turned against him the stinging shafts of criticism, which followed him until and (from some sources) after his death, and made it popular to denounce and revile him. If he had chosen, he could have shown in comparatively few words a defence for his methods in the control of Erie which would have given his critics much food for gentler thought, and blunted the sharp edge of popular malice; but he remained silent under the storm of distorted statements and positive falsehood with which he was assailed. Thus it was made to appear by such criticism, and in the popular mind to-day it remains disabused by any retraction or modification, that Jay Gould gained control of the Erie Railway Company when its property was in the finest condition as to railroad and equipment, its financial affairs on a secure and enviable basis, and its future bright and promising, and that he left it with its treasury looted of its last dollar, its property in a state of dilapidation and decay, its business gone to the dogs, and its future only bankruptcy and ruin. As a matter of fact, when Jay Gould came into the Directory of the Erie Railway Company, in 1868, the Company's property, rights, and privileges were handled only as cards to be played in the great game of Wall Street speculation. In fact, the influence then dominating Erie affairs had been in control for many years, and in all that time the great corporation had been used and abused as a speculative football. At the time Mr. Gould became connected with the Company as a Director, a desperate battle was on between the dominant power in the Erie management and an antagonist who had been his potent rival in Wall Street speculation and railroad management for years, and who had now entered the lists to wrest the control of Erie from him and make that property subservient to his own transportation line. The success of this bold movement meant the taking of the Erie Railway out of the list of independent and competitive railroads of the country, the diversion of its business, and inevitable ruin and disaster to the region through which it had been constructed at so much cost, and after years of disheartening but persistent struggle. To prevent this, and save the Erie to its people and its territory, Jay Gould first brought to bear those qualities that subsequently made him for a time supreme in

the Company. Although but one in the Board of Directors, the exciting campaign that resulted during this crisis in the affairs of the Erie was conducted largely on his suggestion and advice, and if it had been continued on these lines, as Mr. Gould's close associates always contended, the end of the battle would have been a success for the Erie, unattended by any humiliating conditions. As it was, after months of legal strife, both in the civil and criminal courts, the controlling influence in the Erie management agreed to buy rather than drive their antagonist out of the fight, and paid his price, amounting to several millions of dollars, out of the Erie's treasury. Against this method of terminating the contest in defence of their own property and rights, Jay Gould earnestly protested.

The result of this ending of the "Erie War" brought also to an end the life of the *régime* that had ruled in Erie affairs so long, and placed Jay Gould at the head of the Company. Instead of finding a treasury to be looted, he found one that had to be filled if the Company was to be kept out of absolute bankruptcy, for there was not a dollar in it. Instead of a finely equipped railroad, in superior condition, he came into the possession of one not only deficient in the quota of its rolling stock, but with even its available stock in a condition of deplorable dilapidation, and of a road-bed and track sadly and dangerously out of repair. The foes of Erie were still intriguing and working for its downfall. Money, and a large sum of money, had to be raised, and raised at once, if the Company were to be saved from bankruptcy and its railroad put in a condition that would warrant effort on the part of the management to make it the strong competitor of rival roads that it should be. A weak or hesitating man in his place would have succumbed on the threshold of this situation, and all would have been lost; but Jay Gould was far from being either weak or hesitating. He raised money. His method of raising it was undoubtedly a heroic one, and the cliques that had been for months using every trick and game known to Wall Street to destroy Erie, instantly lifted up their voices in tones of pious horror, and roundly denounced the man who had outwitted them by raising money to save the Erie property from its foes. At any rate, after a long and thorough investigation, set afoot by the influences that had for years striven for the control of the Erie Railway, the New York Legislature approved his act, by an almost unanimous vote.

The funds in hand, Mr. Gould at once began the reconstruction and building up of the railroad and the equipping of it with rolling stock commensurate with the demands that he foresaw of an increasing business. During his administration steel rails were introduced in place of rotten iron ones. New and important connections, not only local but through, were secured. Old and insecure wooden bridges were replaced by modern iron structures. Tumble-down depots and freight-houses gave way to substantial new buildings. Train service was made as perfect as the coaches, appliances, and conveniences of a generation ago could provide. Within two years after Jay Gould became the con-

trolling power in Erie, the railroad had ceased to be a thing of ridicule and a byword to the travelling public, and a route in which the shipper had small confidence, and held a position second to none in popularity both with travellers and patrons of the freight department. It cannot be denied that under the Gould *régime*, by the progressive ideas it originated, and the promptness and completeness with which they were carried out, the science of railroad management was advanced many years.

Mr. Gould accumulated enormous riches, but, to the few who knew him intimately, it was manifest that he enjoyed the possession of riches far less than the acquisition of them. He loved to surmount and circumvent barriers, to make a conquest of adverse forces, to conduct a complicated campaign, to apply all his strategic powers to the overcoming of difficulties, to employ all the weapons of aggression and defence his armory held, and finally win a victory which he thought worthy of his powers. And then he loved to seclude himself from the public gaze among his flowers and books and pictures, with those he loved about him, and the world at a distance. Of cultivated taste and varied information, yet he was not desirous of imposing or incurring social obligations, nor solicitous of distinction in any sphere of action except the one which he dominated. He was content to be what he was—the most daring, brilliant, and triumphant financier of the age in the eyes of the world, and the most loyal and devoted husband and father in the eyes of his wife and children.

It is a great mistake to suppose that Jay Gould was a mere speculator in properties. He was the most consummate railroad manager that the country had ever produced. He knew everything about a railway, from the rails to the locomotive, and from the brakeman's duty to that of the general manager. He could sit down and write a traffic contract, which is perhaps the supreme test of a railroad manager's perspicacity. He was a superb executive officer. He applied the military rule to his subordinates. Results, not processes, was his motto. His great genius was shown in his quick mastery of a thorough knowledge of the value of corporate properties, and in perception of possibilities of consolidation of them. When he acquired properties he bent his energies to develop them, and he had both the will and the strength to defend and protect them. His money was invested in active enterprises which gave employment to many thousands of men. He frequently engaged in undertakings in which there was no prospect of any immediate chance of reward, relying on his efforts and on his faith in the future value of them for his compensation or profit. Faith in the constant and steady growth of the country, and the consequent prosperity of all legitimate and well-directed projects, was one source of his unexampled success; and who may say that his efforts in systematizing and combining the great railroad systems of the West and Southwest, and managing them as they should be managed, did not stimulate more than any one thing the growth and prosperity of that vast area of the country through which those highways have their amazing ramifications? A less

forceful man than Jay Gould would have been tempted to sit down idly and take his ease on an income from government bonds or other infallible securities, but he was not content except in directing the management of properties requiring constant supervision and perfect handling to make them successful. He, perhaps, wielded more power during the half score or more years preceding his death than any other one man on the continent, and all without one evidence of ostentation or display. To no other man or collection of men is due so much the bringing of the railroad transportation system to the perfection it has reached in this country; and the extension of that system so that it reaches the most out-of-the-way corners of the land is due entirely to the remarkable enterprise, sagacity, and organizing genius that he possessed. Through his telegraph and railroad enterprises great distances were narrowed, and isolated communities brought in touch with the outside world as they would not have been otherwise, perhaps, for many years to come.

Physically, Mr. Gould was a small man. He had a remarkably high and broad forehead, and though his dark eyes sparkled continually there was yet a deeply thoughtful look in them. His manner was exceedingly modest, the tone of his voice low, and modulated in accents of gentleness. He was invariably courteous and natural. Affectation and hypocrisy were entirely unknown qualities in his character. For society outside of his own family circle he cared nothing, but at home he was genial, kind, indulgent, affectionate. It was not until the strain of mental toil began to tell upon his physical powers, many years after he had won almost undisputed dominion over the financial world, that he gave any thought to rest or diversion in the directions usually sought by men of vast wealth. Prior to that time his books, his pictures, his flowers, were his chief sources of recreation and pleasure. His putting of a yacht in commission—the splendid and speedy *Atlanta*—was consequently a source of much comment to the outside world; but it was not as a sportsman that Mr. Gould sought to enjoy his superb plaything.

Jay Gould's secretiveness in his business affairs was proverbial, but it was exhibited quite as strikingly in his benefactions. He never achieved the reputation of one who was in the habit of contributing toward the needs of his fellow-men, but it is nevertheless a fact that few rich men were more charitable than he. Once only did he forego his customary reticence, and then it was in a time of great public calamity. Yellow fever was raging in Memphis, and subscriptions were being taken in all the large cities of the country to aid the afflicted town. Mr. Gould did not procrastinate. He telegraphed to the authorities of Memphis to draw on him for all the money they needed. It is said of him, by one who was close in his confidence, that "he was a constant and liberal giver, his benefactions being dispensed through a trustee in whose suggestions and advice in such matters he had every confidence. His invariable condition was that there should be no public blazonry of his benefactions." He never sought to delude himself or others with a

show of counterfeit philanthropy. He was the most abstemious of men, never touching either spirituous liquors, wine (except at his physician's advice), or tobacco.

Jay Gould died December 2, 1892, at his New York residence. He was survived by four sons and two daughters: George Jay, Edwin, Howard, and Frank J., Helen M. and Anna. He left a fortune, as taxed by the Surrogate of New York County, amounting to nearly \$56,000,000.

#### 1872.

GEN. JOHN ADAMS DIX.—John Adams Dix was born at Boscawen, N. H., July 24, 1798. He obtained his early education in the academies at Salisbury and Exeter, and at a French school in Montreal, where he remained one year. In his fourteenth year he was appointed a cadet at the United States Military Academy, but gave up the appointment to take part in the War of 1812 and 1815, having received a commission as ensign in the Fourteenth United States Infantry. Within a year he was promoted to be third lieutenant and transferred to the Twenty-first Regiment of Infantry. In 1814 he became second lieutenant, and in the fall of the same year was transferred to the artillery. He was made adjutant in 1815, and in March, 1819, was appointed aide-de-camp to Maj.-Gen. Jacob Brown, commander-in-chief, becoming first lieutenant in 1818 and a captain in 1825. In 1828 he resigned his commission, having passed sixteen years in the military service of the nation.

Much of his leisure had been given to the study of law, and upon his return from a trip abroad he settled at Coopers-town, N. Y., and entered the legal profession. Espousing the Democratic cause, he soon became prominent in politics and was a zealous partisan of Andrew Jackson. In 1830 he was appointed adjutant-general of the State of New York. In 1833 he was appointed Secretary of State and superintendent of common schools. He was also a member of the Canal Board and one of the commissioners of the canal fund.

At the expiration of his term he resumed his law practice. In 1842 he was elected to represent Albany County in the Assembly. In 1846 he was chosen United States Senator to fill the vacancy caused by the election of Silas Wright as Governor of New York, in 1845, and served the remaining four years of the term. In 1853 he was appointed Assistant Treasurer of the United States at New York City, and became Secretary of the Treasury under President Buchanan, January 11, 1861, at a memorable crisis in national affairs. It was while holding this place that he wrote the famous message to W. H. Jones, a special agent of the Treasury Department at New Orleans, which, after ordering the arrest of Captain Breshwood, of the revenue cutter "McClelland," concluded with the memorable words: "If any one attempts to haul down the American flag, shoot him on the spot." During the Civil War he was appointed a major-general in the regular army. At the conclusion of hostilities he resigned his position in the army and retired to civil life.

On the organization of the Pacific Railroad Company General Dix was elected its president. He was chairman of the convention of the National Union Party held at Philadelphia in 1866. In the same year he was appointed minister to the Netherlands, but declined; a few weeks later he accepted the post of naval officer for the port of New York, resigning in November to accept the mission to France. On March 11, 1872, he was elected president of Erie, succeeding Jay Gould. ("Administration of John A. Dix," pages 201-207.) At the State election of that year General Dix was elected Governor of New York on the Republican ticket. He was renominated in 1874, but was defeated by Samuel J. Tilden. He died April 21, 1879. A son, the Rev. Morgan Dix, rector of Trinity Parish, New York, survives him.

#### 1872-1874.

PETER H. WATSON.—Born in England, 1819, this future president of Erie came to the United States at the age of twenty, and, after some months spent in civil engineering, began the study of the law at Rockford, Ill. After his admission to the bar he opened an office at Washington, D. C., where he soon took a leading place as a shrewd and successful patent lawyer, of which branch of the profession he made a specialty. He made fame and fortune through his prominent connection with the noted McCormick Reaper cases in the United States and other courts, being successful in all. He had become a warm personal friend of E. M. Stanton, and when the latter was made Lincoln's Secretary of War, to succeed Simon Cameron, he selected Mr. Watson as his first assistant. Mr. Watson had charge of the Quartermaster General's Department all through the Civil War, performing its duties to the entire satisfaction of the Administration and honor to himself. It is recorded of him, as showing his great capacity for work and extraordinary endurance, that he kept a night and day force of clerks in his department, and personally supervised the services of both.

At the close of the war Mr. Watson returned to the practice of his profession, settling at Ashtabula, O. In Ohio he became interested in railroads, and constructed the Ashtabula and Franklin Railroad, which was subsequently made a branch of the Lake Shore Railroad. He was the originator of the South Improvement Company of Pennsylvania in 1870, having become largely interested in oil transportation in that State. This corporation was later the basis of the present great Standard Oil Company. His bold ideas in railroad management made him prominent in transportation circles, and when the Erie Railway Company came to need a president to take the place of General Dix, after the stormy Gould times of 1872, Mr. Watson was chosen to fill the place. He remained at the head of Erie until 1874, when, broken in health, he resigned. ("Administration of Peter H. Watson," pages 208-229.) Recovering his health, he again took up active business life, and organized in New York the Fabric Measuring and Packaging Company, under valuable patents.

He was president of the company until his death, July 22, 1885. Mr. Watson died at the Hotel Albert, University Place and Eleventh Street, New York, and was buried at Ashtabula. He was survived by his wife and four children, one of whom, Edward P., succeeded to the management of the business of the deceased.

#### 1874-1884.

HON. HUGH J. JEWETT.—Mr. Jewett, although a native of Maryland, having been born on his father's farm at Deer Creek, July 1, 1817, settled in Belmont County, O., in 1840, for the practice of law, he having fitted himself for that profession. The Ohio bar was then famous for the surpassing genius of its members, and young Jewett soon compelled a position that made him the recognized peer of such rare legal minds as Edwin M. Stanton (later Lincoln's great war secretary), Judge William Kennon, Governor Wilson Shannon, Benjamin Cowen, and others equally great in their day and generation. Before he was thirty years of age, in 1848, his reputation as a lawyer had become so wide, and had been followed by such a corresponding increase in his business, that he was obliged to seek a more extensive field, and he removed to Zanesville, which was then one of the most important towns in the State. There he quickly rose to still greater prominence and influence, and his attainments, not only in the law but in financial matters, which he had made a study in his practice, were recognized in 1852 by his appointment as president of the Muskingum branch of the Ohio State Bank.

He had early taken an active interest in politics, and accepted and advocated the principles of the Democratic party. He was a member of the Ohio State Senate in 1854, when he was appointed by President Pierce (whose election he had done much to secure) United States District Attorney for the Southern District of Ohio.

In 1856 he was the delegate from the Muskingum Valley district to the Democratic National Convention which was held at Cincinnati. Mr. Jewett became largely identified with the banking interests of Zanesville, and became a partner in one of the leading banking-houses of that place.

Railroad building and management had become a leading subject for agitation in Ohio, and Mr. Jewett, seeing not only the present but future importance of railroads, at once gave to them much of his attention. In 1855 he was elected vice-president of the Central Ohio Railroad Company, and his systematic business methods and rare judgment were quickly recognized by his elevation to the vice-presidency of the company, he being at the same time appointed general manager of the road. These promotions were followed in 1857 by the election of Mr. Jewett as president of the company. That was a year of historic financial revulsion, and the Central Ohio Railroad, in common with all lines in the country, suffered great reverses and loss of business from the depressed conditions of trade, and it was forced into the hands of a receiver, Mr. Jewett being the choice of the stock-

holders for the place. The exacting duties of the receivership were discharged so as to meet with the voice of approbation from all concerned. For several years thereafter, Mr. Jewett continued to grow in popular estimation and confidence, until his reputation as a railroad manager, legal adviser, and financier was national.

He led his party as their candidate for high office in many hopeless contests, owing to Republican preponderance, although he invariably reduced the regular opposition majority. As the Democratic candidate for Representative in Congress, in 1860, he carried Muskingum County, but was defeated in Morgan County by a few votes. In 1861 he was the Democratic candidate for Governor of Ohio, and was his party's choice for United States Senator in 1863. He served in the Lower House of the Ohio State Legislature in 1868-1869, and in the latter year was elected president of the Little Miami and Columbus and Xenia railroads. Shortly afterward he was made president of the Cincinnati and Muskingum Valley Railroad Company, and removed to Columbus, where he was elected president and general manager of the Pittsburg, Cincinnati and St. Louis Railroad Company. In 1871, Mr. Jewett consented to lead his party in the congressional campaign in the capital district, and, the district being strongly Republican, he was defeated. The same year, the Pittsburg, Cincinnati and St. Louis Railroad Company and the Muskingum Valley Railroad Company having been consolidated as the Pennsylvania Company, Mr. Jewett resigned from their active management to accept the office of general counsel for the Pennsylvania Company. The following year he was elected to Congress from the capital district. He was gaining still greater distinction for himself in this position, when he was summoned in 1874 to consider the offer of the presidency of the Erie Railway Company.

At that time, undoubtedly, there was no man in the country, by reason of his thorough practical knowledge of all the branches and intricate details of railroad management and his ripe experience and tried judgment in dealing with their complicated and knotty problems, better equipped to take hold of the tangled affairs of Erie than Hugh J. Jewett. The emergency was such that there was no time for him to give to those affairs and the conditions of the property and its prospects such thorough personal investigation and study as he desired in order to have a more perfect understanding of them. The company wanted the services off-hand, and relying on the exhibits and statements made to him, placed before him, and vouched for by persons in whom he had a right to repose every confidence, he accepted the trust, but made his acceptance conditional. His conditions were granted, and he was elected president of the Erie Railway Company.

Mr. Jewett soon found that the rose-colored statements which had been made to him as to the Erie's condition were without foundation, and that some of the very parties making the statements were planning a wholesale plunder of the property. He exposed their schemes, and instantly became the target for their hostility. The affairs of the Company were in reality such that the receivership followed, in May, 1875.

Mr. Jewett was appointed receiver. On the 27th of April, 1878, the Company was reorganized under the title of the New York, Lake Erie and Western Railroad Company. Mr. Jewett was elected president of the new corporation, and received a unanimous vote of thanks from the Board of Directors for "his able, wise and energetic management of the affairs of the Erie Railway Company, both as president and receiver," and the Board extended to him the emphatic assurance of their respect and confidence, and denounced "as utterly false, malicious and defamatory, the various loose, vague and general charges of mismanagement and misconduct that have been brought against him in the course of the litigation in opposition to the scheme of reconstruction, and the various newspapers published in London."

Mr. Jewett continued at the head of Erie affairs until November 30, 1884, when he retired from active business life. ("Administration of Hugh J. Jewett," pages 230-269.)

At the close of his connection with the Erie, Mr. Jewett retired to his old family homestead and birthplace at Glenville, Hartford County, Md. Here, surrounded by his family, his books, and his agricultural pursuits, he spent the latter years of his life in the peaceful enjoyment of a leisure which he had certainly fairly earned by a long career of activity and labor. It was his custom to spend the winter months in New York, where he was a member of the Union, Manhattan, and City Clubs. He died at Augusta, Ga., March 6, 1898, in his eighty-first year.

1884-1895.

JOHN KING.—John King was born at Baltimore, Md., April 24, 1832, which, by strange coincidence, was the day and year the Erie charter was granted. His father, John King, and his mother, who was Miss Stauffer, were both natives of Baltimore. John King was educated in private and public schools in Baltimore, which he attended from his eighth year until his seventeenth, when he began life as clerk in a hardware store. A year later he engaged with the late John Hoey in the express business, which he abandoned after two years, and began his railroad career as ticket agent for the Baltimore and Ohio Railroad Company at Camden, N. J. He rose to be paymaster, auditor, general freight agent, and first vice-president of that company. He was active in the management of the company for twenty-seven years, during which time he was president of the Pittsburgh and Connellsville Railroad Company, and of the Baltimore and Ohio and Chicago Railroad Company; and receiver of the Ohio and Mississippi, and the Marietta and Cincinnati Railroad Companies. In July, 1881, Mr. King retired from active railroad life, and spent three years in foreign travel. He returned to this country in 1884, and August 21st of that year he became assistant president of the Erie, and president November 1st. July 25, 1893, President King was selected to be one of the receivers of the Company. ("Administration of John King," page 274.) He continued as co-receiver two years, when, on account of failing health, he resigned his place and went

abroad, having decided on a tour of the world. Travel did not have the effect of restoring his health, and he died at Beaulieu, near Nice, France, March 17, 1897.

Mr. King was a Freemason, and a member of the Metropolitan, the Manhattan, the Down-Town, the Lawyers', the Tuxedo, the New York Whist, and other clubs. He was an Episcopalian. He is survived by his wife, who was Mary F. Jackson, of Baltimore, and by three children—two daughters, Mrs. Ralph Elliott, of Savannah, Ga., and the Baroness Von Giskra, of Berne, Switzerland; and one son, Jackson King.

JOHN GRIFFITH McCULLOUGH (Receiver).—John G. McCullough was born at Newark, Del., of Scotch and Welsh ancestry. His father died when he was three, and his mother when he was seven years old. Although his means for obtaining an education were meagre, his persistence won him his way through Delaware College, from which he was graduated at the age of twenty. He at once went to Philadelphia.

When he was graduated from the University of Pennsylvania, he having, during his attendance there, studied law in the office of one of Philadelphia's ablest lawyers, St. George Tucker Campbell, Mr. McCullough found himself in such critical health that it would have been suicidal for him to remain in that climate, much less to attempt the practice of his profession, and in 1859 he went to California and settled at Mariposa. Gradually recovering his health, he opened a law office. It was not long before he had built up a prosperous business. The political feeling in California that preceded the Civil War was of a particularly disturbing and ominous character, and as time went on a strong sentiment in favor of secession developed. Although born in a slave-holding State, young McCullough was opposed to the doctrines that emanated from those States, and used his influence and eloquence to arouse and strengthen the Union feeling in California. He became conspicuous for his persistent resistance to the secession element, and by a union of the Republicans and anti-secession Democrats in 1861, he was elected as a member of the California Legislature. In that body he continued to fight secession, and his earnestness and fearlessness went far toward stemming the tide that at one time threatened to carry California with the erring sisters of the South.

In 1862 he was elected to the Senate, although the district had always been Democratic. As a senator he maintained his attitude of unflinching patriotism. At the end of his term in the Senate he was elected attorney-general of the State by a sweeping majority.

The political campaign in California, in 1867, was attended by a Democratic landslide, which swept every candidate on that ticket into office. Mr. McCullough had been renominated as the Republican candidate for the office of attorney-general, and was defeated with the rest of the Republican ticket. He thereupon established himself at San Francisco, where he became a leader at the California bar. During the five years that he practised his profession at San Francisco he managed important cases that brought him in contact with many of the great railroad minds of the coun-

try, and he managed these cases so successfully that he won a wide reputation as an astute lawyer and a man of safe judgment. Acceding to flattering solicitation, Mr. McCullough closed up his affairs in California and came East to reside in 1871. He at once became interested in railroad affairs. He was vice-president of the Panama Railroad Company from 1872 until 1883, and president from 1883 until 1888. In 1884, the affairs of Erie being then nearing a crisis, Mr. McCullough was called in as one of a new Board of Directors, and was subsequently made chairman of the executive committee. He has been prominent in the management of Erie ever since. In 1890 he was elected president of the Chicago and Erie Railroad Company on its organization. In 1893 he was made co-receiver of the Erie with President John King, and, owing to the feeble health of Mr. King, practically had charge of Erie affairs during the receivership.

Mr. McCullough married, in Vermont, Eliza Hull Park, daughter of Trenor W. Park, the financier and railroad magnate.

1894 (IN OFFICE, 1899).

EBEN B. THOMAS.—Eben B. Thomas, who came into the service of the Company in 1888, and was made first vice-president in November, 1890, succeeding S. M. Felton, Jr., was elected to fill the places made vacant by the resignation of president and receiver John King, November 30, 1894. As a matter of fact, Mr. Thomas had been for months performing the duties of president, first vice-presi-

dent, and second vice-president, the incumbents of the first and latter place being incapacitated by broken health. Previous to his connection with the Erie management, Mr. Thomas had been for several years general manager of the Cleveland, Columbus, Cincinnati and St. Louis Railroad, retiring from that high office in 1885 to become second vice-president and general manager of the Richmond and Danville system. In February, 1888, he was called to the Erie management, having been elected second vice-president of the Company. In December, 1890, he was promoted to the first vice-presidency, and was also general manager of the Chicago and Erie Railroad from September, 1890, to January, 1891. November 30, 1894, he became president and co-receiver of the Erie, and on the organization of the Erie Railroad Company, November 14, 1895, was elected president of the new Company, in which office he has continued ever since. ("Administration of Eben B. Thomas," pages 282-294.)

President Thomas ranks among the really great railroad managers of this country. His abilities are not confined to any one particular sphere of railroad work. He is a master of details in all its departments, and has executive capacity of remarkable scope. Although conservative in his methods, Mr. Thomas is broad-minded and progressive in developing the resources of his Company. He believes in maintaining a high standard, and his rare personal popularity with his subordinates in office, and with the great army of employees along the Erie lines, is a significant testimonial as to his character.

## THE RULERS OF ERIE.

1832-1898.

### NEW YORK AND ERIE RAILROAD COMPANY.

INCORPORATORS UNDER THE CHARTER.—Samuel Swartwout, Stephen Whitney, Robert White, Cornelius Harsen, Eleazar Lord, Daniel Le Roy, William C. Redfield, Cornelius J. Blauvelt, Jeremiah H. Pierson, William Townsend, Egbert Jansen, Charles Borland, Abram M. Smith, Alpheus Dimmick, Randall S. Street, John P. Jones, George D. Wickham, Joseph Curtis, John L. Gorman, Joshua Whitney, Christopher Elridge, James McKinney, James Pumpelly, Charles Pumpelly, John R. Drake, Jonathan Platt, Luther Gere, Francis A. Bloodgood, Jeremiah S. Beebe, Ebenezer Mack, Ansel St. John, Andrew DeWitt Bruyn, Stephen Tuttle, Lyman Covell, Robert Covell, John Arnot, John Magee, William M. McCay, William S. Hubbell, William Bonham, Arthur H. Erwin, Henry Brother, Philip Church, Samuel King, Walter Bowne, Morgan Lewis, William Paulding, Peter Lorillard, Isaac Lawrence, Jeromus Johnson, John Steward, Jr., Henry I. Wyckoff, Richard M. Lawrence, Gideon Lee, John P. Stagg, Nathaniel Weed, Hubert Van Wagenen, David Rogers, John Hone, John G. Coster, Goold Hoyt, Peter I. Nevius, Robert Buloid, Thomas A. Ronalds, John Haggerty, Elisha Riggs, Benjamin L. Swan, Grant B. Baldwin, William Maxwell, Darius Bentley.

Previous to the second election of Eleazar Lord, no salary or compensation was paid to the president for his services, though the duties of that office since 1835 required much time and labor in their performance. On the 25th day of September, 1839, the date of Mr. Lord's second election, the salary of the president was fixed at \$3,600 per annum.

When the Company was organized Goold Hoyt was chosen vice-president, John Duer, counsel, and William G. Buckner, treasurer. These offices were little more than nominal until about the time of the commencement of the work in the Valley of the Delaware in 1835, and until then they were without salaries. The offices of vice-president and treasurer were filled by Mr. Hoyt and Mr. Buckner until the 4th of February, 1835, when they resigned and Eleazar Lord (having resigned the office of president) was elected to both offices, and his salary as treasurer was fixed at \$3,000 per year. He was required to give a bond in the penal sum of \$20,000. Lord held these offices until the 14th of September of the same year, when he resigned, and Peter G. Stuyvesant was chosen his successor. Mr. Stuyvesant declined any salary, and was not required to give security as treasurer. These offices he held until December 6, 1836, when he resigned. From that time until November 22, 1838, the office of treasurer remained vacant, its duties being performed principally by the secretary. November 22, 1838, Elihu Townsend was chosen treasurer. He resigned October 8, 1839, and was succeeded by George S. Robbins. Mr. Robbins served until April 30, 1840, when he resigned, and James Bowen was appointed vice-president and treasurer. He held these offices until the 27th of May, 1841, when he was elected

president, and Henry L. Pierson succeeded him as vice-president and treasurer. From the time of the resignation of Mr. Lord as treasurer, in 1835, until the election of Mr. Bowen, in April, 1840, the treasurer had no fixed compensation, nor was there any salary paid during that time, except to Mr. Robbins, who received \$1,000 for his services from October 8, 1839, until April 30, 1840. On the election of Mr. Bowen as vice-president and treasurer, his salary was fixed at \$3,000 per annum, and that remained the salary of Mr. Pierson. No salary had ever been paid to the vice-president, except as the office was held in conjunction with that of treasurer.

There was no regularly appointed secretary of the Company until the 14th day of September, 1835, when the Board of Directors established the office. Mr. Talman J. Waters was, on the nomination of the president, appointed to that office. His salary was fixed at \$3,000 per year. This office he held until the 8th of November, 1839, when his resignation, tendered on the 4th of October previous, was accepted. From November, 1838, until the time of his resignation, Mr. Waters received a salary at the rate of \$1,250 per annum, he, during that time, being also engaged as cashier in the Custom House, in New York. Upon the resignation of Mr. Waters, William M. Gould was appointed. From the time of his appointment until October, 1840, Mr. Gould's salary was at the rate of \$900 per annum; on the latter date it was increased to \$1,250.

On the 2d day of October, 1835, the office of comptroller of the Company was established, and Samuel B. Ruggles appointed to that office. Mr. Ruggles held it without salary, except expenses, until the 14th of July, 1838, when the office was, on his motion (he being then a director), abolished. The title was revived for James Fisk, Jr., in 1869, but was not used after his time except in 1883 and 1884, when Stephen Little was called comptroller.

The addition to the number of vice-presidents began with Peter H. Watson in 1872.

No established rules or by-laws were adopted for the regulation of the business of the different departments of the Company until the 10th of September, 1841, when a code of by-laws was adopted. Previous to that time the power and duties of the several officers and agents of the Company were not specifically defined, but were left to such construction or limits, as were by common consent, or by analogy to the organization of other like chartered institutions, concurred in.

## UNDER THE ORGANIZATION.

## 1833-1834.

Eleazar Lord, President; Goold Hoyt, Vice-President; William G. Buckner, Treasurer; John Duer, Counsel.

DIRECTORS.—Eleazar Lord, Stephen Whitney, Peter Harmony, John Duer, Goold Hoyt, James Bowman, William G. Buckner, Elihu Townsend, Michael Burnham, Samuel B. Ruggles, Benjamin Wright, David N. Lord, Jeremiah H. Pierson, Cornelius J. Blauvelt, George D. Wickham, Joshua Whitney, James Pumpelly.

## 1834-1835.

Eleazar Lord, President (resigned January 5, 1835); Goold Hoyt, Vice-President (resigned January 5, 1835); Talman J. Waters, Secretary.

January 5, 1835.—James Gore King, President, *pro tem.*; Eleazar Lord, Vice-President and Treasurer, *pro tem.*; Samuel B. Ruggles, Comptroller.

DIRECTORS.—Eleazar Lord, James G. King, John Duer, Peter Harmony, Goold Hoyt, James Boorman, Michael Burnham, Samuel B. Ruggles, Elihu Townsend, Stephen Whitney, J. G. Pearson, W. G. Buckner, George D. Wickham, James Pumpelly, C. J. Blauvelt, Joshua Whitney, David N. Lord. January 5, 1835, W. G. Buckner, C. J. Blauvelt, James Pumpelly, David N. Lord, resigned.

DIRECTORS CHOSEN TO VACANCIES.—Peter G. Stuyvesant, John G. Coster, John Rathbone, Jr., Jeremiah H. Pierson.

## 1835-1836.

James Gore King, President; Peter G. Stuyvesant, Vice-President; Samuel B. Ruggles, Comptroller; Talman J. Waters, Secretary.

DIRECTORS.—James G. King, Peter G. Stuyvesant, Samuel B. Ruggles, John Duer, John G. Coster, Stephen Whitney, Peter Harmony, J. Greene Pearson, Peletiah Peret, Elbert J. Anderson, Michael Burnham, James Boorman, John Rathbone, Jr., William Beach Lawrence, Cornelius W. Lawrence, George Griswold, Jeremiah H. Pierson.

## 1836-1837.

James Gore King, President; Peter G. Stuyvesant, Vice-President; Talman J. Waters, Secretary.

DIRECTORS.—J. G. King, Peter G. Stuyvesant, John G. Coster, Samuel B. Ruggles, Charles Hoyt, Stephen Whitney, John A. Stevens, George Griswold, James Boorman, David N. Lord, Aaron Clark, John W. Leavitt, Jeremiah H. Pierson, George S. Robbins, George D. Wickham, William Beach Lawrence, Edwin Lord.

## 1837-1838.

James Gore King, President; Peter G. Stuyvesant, Vice-President; Talman J. Waters, Secretary.

DIRECTORS.—James G. King, Edwin Lord, Samuel B. Ruggles, Charles Hoyt, Peter G. Stuyvesant, Stephen Whitney, John A. Stevens, George Griswold, James Boorman, John G. Coster, David N. Lord, Aaron Clark, John W. Leavitt, Jeremiah H. Pierson, George D. Wickham, William Beach Lawrence, George S. Robbins.

April 27, 1838, George S. Robbins and John W. Leavitt resigned; Eleazar Lord and Elihu Townsend chosen to the vacancies. May 4, 1838, John G. Coster resigned; John A. King chosen to the vacancy.

## 1838-1839.

James Gore King, President (resigned September 25, 1839); John Duer, Vice-President; Talman J. Waters, Secretary.  
September 25, 1839, Elihu Townsend, President *pro tem.*

DIRECTORS.—James Gore King, John Duer, Eleazar Lord, John A. King, Samuel B. Ruggles, Charles Hoyt, Peter G. Stuyvesant, Stephen Whitney, John A. Stevens, George Griswold, James Boorman, David N. Lord, Elihu Townsend, Aaron Clark, Jeremiah H. Pierson, George D. Wickham, William Beach Lawrence.

## 1839-1840.

Eleazar Lord, President; Stephen Whitney, Vice-President (resigned November 8, 1839, James Bowen chosen to vacancy); Talman J. Waters, Secretary (resigned November 8, 1839, William Gould chosen to vacancy).

DIRECTORS.—Eleazar Lord, Stephen Whitney, James Bowen, John A. Stevens, Elihu Townsend, David N. Lord, Charles Hoyt, John A. King, William Beach Lawrence, George S. Robbins, George Griswold, George D. Wickham, Isaac L. Varian, William H. Townsend, Henry L. Pierson, Jeremiah H. Pierson.

December 27, 1839, John A. Stevens and John A. King resigned; Robert B. Minturn and Simeon Draper, Jr., chosen to the vacancies. January 22, 1840, William Beach Lawrence resigned.

## 1840-1841.

Eleazar Lord, President (resigned May 28, 1841, James Bowen, Vice-President, chosen President *pro tem.*); William Gould, Secretary.

DIRECTORS.—Eleazar Lord, James Bowen, Jeremiah H. Pierson, George D. Wickham, George Griswold, Stephen Whitney, Aaron Clark, Elihu Townsend, David N. Lord, Charles Hoyt, Robert B. Minturn, Simeon Draper, Jr., George S. Robbins, Henry L. Pierson, William H. Townsend, Isaac L. Varian; one vacancy.

## 1841-1842.

James Bowen, President; Henry L. Pierson, Vice-President; William Gould, Secretary.

DIRECTORS.—James Bowen, Eleazar Lord, Goold Hoyt, Elihu Townsend, George S. Robbins, Aaron Clark, Henry L. Pierson, George D. Wickham, George J. Griswold, John Haggerty, David N. Lord, Charles Hoyt, Simeon Draper, Jr., William H. Townsend, William Kent, Isaac L. Varian, Jeremiah H. Pierson.

## 1842-1843.

William Maxwell, President; James Bowen, Vice-President; William Gould, Secretary.

DIRECTORS.—Samuel Barrett, Benj. Chamberlain, Jesse Engle, Reuben Robie, William Maxwell, Jonathan Platt, Thomas G. Waterman, John B. Booth, Thomas E. Blanch, Freeman Campbell, Henry L. Pierson, Charles Augustus Davis, James Bowen, William Samuel Johnson, Samuel Roberts, George Griswold, Prosper M. Wetmore.

## 1843-1844.

Horatio Allen, President; James Bowen, Vice-President; William Gould, Secretary.

DIRECTORS.—Horatio Allen, James Bowen, Don Alonzo Cushman, Charles M. Leupp, Frank W. Edmonds, Silas Brown, David Austin, Theodore Dehon, Paul Spofford, George Griswold, Anson G. Phelps, Matthew Morgan, John C. Green, A. S. Diven, William Maxwell, Elijah Ridley, Daniel S. Dickinson.

## 1844-1845.

Eleazar Lord, President (resigned July 25, 1845; James Harper, chosen President *pro tem.*, declined to serve; Benjamin Loder, chosen President *pro tem.*; James Harper, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Eleazar Lord, Jacob Little, George Griswold, John C. Green, James Harper, Paul Spofford, Stewart C. Marsh, Henry L. Pierson, Henry Sheldon, C. M. Leupp, J. W. Alsop, Silas Brown, Robert L. Crooke, Sidney Brooks (declined), Daniel S. Dickinson, A. S. Diven, Elijah Risley.

July 25th, Eleazar Lord, George Griswold, John C. Green, Paul Spofford, C. M. Leupp, J. W. Alsop, Daniel S. Dickinson, and Elijah Risley, resigned; Benjamin Loder, Stephen Whitney, Homer Ramsdell, Cornelius Smith, Thomas Tileston, Daniel S. Miller, Shepherd Knapp, and Samuel Marsh, chosen to the vacancies.

## 1845-1846.

Benjamin Loder, President; James Harper, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, James Harper, Samuel Marsh, Daniel S. Miller, Henry L. Pierson, Stewart C. Marsh, Jacob Little, Robert L. Crooke, Henry Sheldon, Henry Suydam, Jr., A. S. Diven, John Wood, William E. Dodge, Shepherd Knapp, Homer Ramsdell, Cornelius Smith, Thomas Tileston.

## 1846-1847.

Benjamin Loder, President; Stephen Whitney, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, Stephen Whitney, Silas Brown, Henry Sheldon, Daniel S. Miller, Stewart C. Marsh, Henry Suydam, Jr., William E. Dodge, Shepherd Knapp, Samuel Marsh, Robert L. Crooke, A. S. Diven, John Wood, Thomas Tileston, Cornelius Smith, Thomas I. Townsend, Homer Ramsdell.

## 1847-1848.

Benjamin Loder, President; Stephen Whitney, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, Stephen Whitney, Silas Brown, Henry Sheldon, Daniel S. Miller, Stewart C. Marsh, Henry Suydam, Jr., William E. Dodge, Shepherd Knapp, Samuel Marsh, A. S. Diven, John Wood, Cornelius Smith, Thomas I. Townsend, Homer Ramsdell, William B. Skidmore, Marshall O. Roberts.

## 1848-1849.

Benjamin Loder, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, Silas Brown, Henry Sheldon, Daniel S. Miller, Henry Suydam, Jr., William E. Dodge, Shepherd Knapp, Samuel Marsh, John Wood, Cornelius Smith, Thomas I. Townsend, Homer Ramsdell, William B. Skidmore, Marshall O. Roberts, Thomas W. Gale, Charles M. Leupp, Theodore Dehon.

## 1849-1850.

Benjamin Loder, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, John J. Phelps, Henry Sheldon, Daniel S. Miller, Henry Suydam, Jr., William E. Dodge, Shepherd Knapp, Samuel Marsh, John Wood, Cornelius Smith, Thomas I. Townsend, Homer Ramsdell, William B. Skidmore, Marshall O. Roberts, Thomas W. Gale, Charles M. Leupp, Theodore Dehon.

## 1850-1851.

Benjamin Loder, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, Henry Sheldon, Daniel S. Miller,

Henry Suydam, Jr., William E. Dodge, Shepherd Knapp, Samuel Marsh, Cornelius Smith, Thomas I. Townsend, Homer Ramsdell, William B. Skidmore, Marshall O. Roberts, Thomas W. Gale, Charles M. Leupp, Theodore Dehon, John J. Phelps, Norman White.

## 1851-1852.

Benjamin Loder, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, Henry Sheldon, Daniel S. Miller, Henry Suydam, Jr., William E. Dodge, Shepherd Knapp, Samuel Marsh, Cornelius Smith, Thomas I. Townsend, Homer Ramsdell, William B. Skidmore, Marshall O. Roberts, Thomas W. Gale, Charles M. Leupp, Gouverneur Morris, John J. Phelps, Norman White.

## 1852-1853.

Benjamin Loder, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Benjamin Loder, Homer Ramsdell, Samuel Marsh, Henry Sheldon, William E. Dodge, Shepherd Knapp, Cornelius Smith, Thomas I. Townsend, Marshall O. Roberts, Charles M. Leupp, Gouverneur Morris, Henry Suydam, Jr., Thomas W. Gale, Theodore Dehon, John J. Phelps, Norman White.

## 1853-1854.

Homer Ramsdell, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Homer Ramsdell, Samuel Marsh, William E. Dodge, Shepherd Knapp, Cornelius Smith, Marshall O. Roberts, Charles M. Leupp, Nelson Robinson, Daniel Drew, John Arnot, Ambrose S. Murray, George F. Talman, Don Alonzo Cushman, William B. Skidmore, Louis Von Hoffman, Charles Moran, Ralph Mead.

## 1854-1855.

Homer Ramsdell, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Homer Ramsdell, Samuel Marsh, Daniel Drew, William E. Dodge, Cornelius Smith, Marshall O. Roberts, John Arnot, Ambrose S. Murray, Don Alonzo Cushman, William B. Skidmore, Louis Von Hoffman, Charles Moran, Ralph Mead, Richard Lathers, Dudley S. Gregory, John Steward, Edwin J. Brown.

## 1855-1856.

Homer Ramsdell, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Homer Ramsdell, Samuel Marsh, William E. Dodge, Shepherd Knapp, Cornelius Smith, Marshall O. Roberts, Charles M. Leupp, Daniel Drew, John Arnot, Ambrose S. Murray, Richard Lathers, Don Alonzo Cushman, William B. Skidmore, Louis Von Hoffman, Charles Moran, Ralph Mead, Dudley S. Gregory.

## 1856-1857.

Homer Ramsdell, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Homer Ramsdell, Samuel Marsh, William E. Dodge, Shepherd Knapp, Cornelius Smith, Marshall O. Roberts, Charles M. Leupp, Daniel Drew, John Arnot, Ambrose S. Murray, Richard Lathers, Don Alonzo Cushman, William B. Skidmore, Louis Von Hoffman, Charles Moran, Ralph Mead, Dudley S. Gregory.

1857-1858.

Charles Moran, President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Charles Moran, Samuel Marsh, Cornelius Smith, Marshall O. Roberts, Daniel Drew, John Arnot, Ambrose S. Murray, Don Alonzo Cushman, William B. Skidmore, Ralph Mead, Richard Lathers, Dudley S. Gregory, Edwin J. Brown, Herman Gelpcke, George Bruce, Robert H. Berdell, one vacancy.

1858-1859.

Charles Moran, President; S. F. Headley, Assistant President; Samuel Marsh, Vice-President; Nathaniel Marsh, Secretary.

DIRECTORS.—Charles Moran, Samuel Marsh, Cornelius Smith, Daniel Drew, Don Alonzo Cushman, William B. Skidmore, Edwin J. Brown, Herman Gelpcke, Ralph Mead, Robert H. Berdell, Edward H. Alburtis, George T. Cobb, Dudley S. Gregory, John Arnot, Ambrose S. Murray, S. H. P. Hall.

1859-1860.

Samuel Marsh, President; Nathaniel Marsh, Receiver; Henry L. Pierson, Vice-President; H. N. Otis, Secretary.

DIRECTORS.—Samuel Marsh, Nathaniel Marsh, Henry L. Pierson, H. N. Otis, Daniel Drew, Cornelius Smith, William B. Skidmore, Don Alonzo Cushman, Robert H. Berdell, John Arnot, Ambrose S. Murray, A. S. Diven, Ralph Mead, Cornelius Vanderbilt, Dudley S. Gregory, J. C. Bancroft Davis, Thomas D. Wright.

1860-1861.

Samuel Marsh, President; Nathaniel Marsh, Receiver; H. L. Pierson, Vice-President; H. N. Otis, Secretary.

DIRECTORS.—Samuel Marsh, Nathaniel Marsh, Henry L. Pierson, H. N. Otis, Daniel Drew, Cornelius Smith, William B. Skidmore, Don Alonzo Cushman, Robert H. Berdell, John Arnot, Ambrose S. Murray, A. S. Diven, Ralph Mead, Cornelius Vanderbilt, Dudley S. Gregory, J. C. Bancroft Davis, Thomas D. Wright.

## ERIE RAILWAY COMPANY.

(Formed under Articles of Association, April 30, 1861.)

ASSOCIATES.—Dudley S. Gregory, J. C. Bancroft Davis, Nathaniel Marsh, Samuel Marsh, Daniel Drew, Robert H. Berdell, William B. Skidmore, Don Alonzo Cushman, Henry L. Pierson, Ralph Mead, Cornelius Vanderbilt, Henry A. Tailer, Ambrose S. Murray, Thomas D. Wright, John Arnot, Alexander S. Diven, Horatio N. Otis.

## UNDER THE REORGANIZATION.

1861-1862.

Nathaniel Marsh, President; Samuel Marsh, Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—Dudley S. Gregory, J. C. Bancroft Davis, Nathaniel Marsh, Samuel Marsh, Daniel Drew, Robert H. Berdell, William B. Skidmore, Don Alonzo Cushman, Henry L. Pierson, Ralph Mead, Cornelius Vanderbilt, Henry A. Tailer, Ambrose S. Murray, Thomas D. Wright, John Arnot, Alexander S. Diven, Horatio N. Otis.

1862-1863.

Nathaniel Marsh, President; Samuel Marsh, Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—Dudley S. Gregory, J. C. Bancroft Davis, Nathaniel Marsh, Samuel Marsh, Daniel Drew, Robert H. Berdell, William B. Skidmore, Don Alonzo Cushman, Henry L. Pierson, Ralph Mead, Cornelius Vanderbilt, Henry A. Tailer, Ambrose S. Murray, Thomas D. Wright, John Arnot, Alexander S. Diven, Horatio N. Otis.

1863-1864.

Nathaniel Marsh, President; Samuel Marsh, Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—Samuel Marsh, Daniel Drew, John Arnot, William B. Skidmore, Cornelius Vanderbilt, Robert H. Berdell, Dudley S. Gregory, Ralph Mead, Nathaniel Marsh, Ambrose S. Murray, William Evans, J. C. Bancroft Davis, Don Alonzo Cushman, Alexander S. Diven, Thomas W. Gale, Isaac N. Phelps, Horatio N. Otis.

1864-1865.

Samuel Marsh, President *pro tem.*; Alexander S. Diven, Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—John Arnot, Robert H. Berdell, Don Alonzo Cushman, J. C. Bancroft Davis, Alexander S. Diven, Daniel Drew, William Evans, Thomas W. Gale, Dudley S. Gregory, Samuel Marsh, Ralph Mead, Ambrose S. Murray, Horatio N. Otis, Isaac N. Phelps, Henry L. Pierson, William B. Skidmore, Cornelius Vanderbilt.

1865-1866.

Robert H. Berdell, President; Alexander S. Diven, Vice-President; Samuel Marsh, Honorary Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—Samuel Marsh, Daniel Drew, John Arnot, William B. Skidmore, Cornelius Vanderbilt, Robert H. Berdell, Dudley S. Gregory, Ralph Mead, Ambrose S. Murray, William Evans, J. C. Bancroft Davis, Henry L. Pierson, Don Alonzo Cushman, Alexander S. Diven, Thomas W. Gale, Isaac N. Phelps, J. F. D. Lanier.

1866-1867.

Robert H. Berdell, President; Alexander S. Diven, Vice-President; Samuel Marsh, Honorary Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—Robert H. Berdell, Alexander S. Diven, Samuel Marsh, John Arnot, Ambrose S. Murray, Henry L. Pierson, Daniel Drew, William B. Skidmore, Dudley S. Gregory, William Evans, J. C. Bancroft Davis, Don Alonzo Cushman, Thomas W. Gale, Isaac N. Phelps, J. F. D. Lanier, Franklin F. Randolph, Frederick A. Lane.

1867-1868.

John S. Eldridge, President; Alexander S. Diven, Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—John S. Eldridge, Eben D. Jordan, Josiah Bardwell, James S. Whitney, J. C. Bancroft Davis, A. S. Diven, William Evans, James Fisk, Jr., Jay Gould, Dudley S. Gregory, George N. Graves, Frederick A. Lane, Homer Ramsdell, William B. Skidmore, Henry Thompson, Frank Work, Levi Underwood.

Underwood resigned and Daniel Drew was elected to the vacancy.

1868-1869.

Jay Gould, President; A. S. Diven, Vice-President; James Fisk, Jr., Comptroller; H. N. Otis, Secretary.

DIRECTORS.—Jay Gould, A. S. Diven, James Fisk, Jr., Frederick A. Lane, J. C. Bancroft Davis, William M. Tweed, Peter B. Sweeny, Daniel S. Miller, Jr., Homer Ramsdell, John Hilton, George M. Graves, John Ganson, Charles G. Sisson, O. W. Chapman, Henry Thompson, William B. Skidmore, George M. Diven.

1869.

Jay Gould, President and Treasurer; James Fisk, Jr., Vice-President; H. N. Otis, Secretary.

DIRECTORS UNDER THE CLASSIFICATION ACT.—Terms to expire in October, 1870: Homer Ramsdell, Charles G. Sisson, Justin D. White. Terms to expire in October, 1871: John Hilton, M. R. Simons, George C. Hall. Terms to expire in October, 1872: John Ganson, O. W. Chapman, Henry Thompson. Terms to expire in October, 1873: Alexander S. Diven, Henry N. Smith, Abram Gould, Horatio N. Otis. Terms to expire in October, 1874: Jay Gould, James Fisk, Jr., William M. Tweed, Frederick A. Lane.

1870.

Jay Gould, President and Treasurer; James Fisk, Jr., Vice-President and Comptroller; H. N. Otis, Secretary.

DIRECTORS.—Jay Gould, James Fisk, Jr., William M. Tweed, Frederick A. Lane, Alexander S. Diven, Henry N. Smith, Abram Gould, Horatio N. Otis, Henry Thompson, O. W. Chapman, John Ganson, George C. Hall, M. R. Simons, John Hilton, Homer Ramsdell, Charles G. Sisson, Justin D. White.

1871-1872.

Jay Gould, President and Treasurer; James Fisk, Jr., Vice-President; Horatio N. Otis, Secretary; Mortimer Smith, Assistant Secretary. James Fisk, Jr., died January 7, 1872. O. H. P. Archer elected Vice-President. Jay Gould ejected, March 11th.

DIRECTORS.—Jay Gould, James Fisk, Jr., Frederick A. Lane, Justin D. White, H. N. Otis, Henry Thompson, John Hilton, O. H. P. Archer, M. R. Simons, George C. Hall, Edwin Eldridge, Homer Ramsdell, Charles G. Sisson, Henry Sherwood, John Ganson, two vacancies. Board changed, March 11th.

1872.

John A. Dix, President, March 11th, to succeed Gould; O. H. P. Archer, Vice-President; Horatio N. Otis, Secretary. Archer was succeeded as Vice-President, June, 1872, by A. S. Diven.

DIRECTORS.—John A. Dix, O. H. P. Archer, George B. McClellan, S. L. M. Barlow, W. Watts Sherman, William R. Travers, H. L. Lansing, H. G. Stebbins, Charles Day, Alexander S. Diven, Jay Gould, Homer Ramsdell, Henry Sherwood, Edwin Eldridge, George C. Hall, F. N. Drake, John Ganson.

1872-1873.

Peter H. Watson, President (President Dix retired July 10, 1872); A. S. Diven, Vice-President; Horatio N. Otis, Secretary.

DIRECTORS.—Peter H. Watson, A. S. Diven, W. R. Travers, William Butler Duncan, Charles Day, S. L. M. Barlow, J. A. Dix, J. V. L. Pruyn, Henry L. Lansing, Homer Ramsdell, William W. Shippen, Edwin D. Morgan, Frederick Schuchardt, S. D. Babcock, John J. Cisco, George Talbott Olyphant, John Taylor Johnston.

1873-1874.

Peter H. Watson, President; A. S. Diven, Vice-President; Augustus R. MacDonough, Secretary. June, 1873, Diven retired as Vice-President. September, 1873, G. R. Blanchard appointed 2d Vice-President; J. C. Clarke, 3d Vice-President; Henry Tyson, 4th Vice-President. October, 1873, Lucius Robinson, 1st Vice-President. June, 1874, Tyson and Robinson retired.

DIRECTORS.—Peter H. Watson, Samuel D. Babcock, Herman R. Baltzer, S. L. M. Barlow, George H. Brown, W. Butler Duncan, John Taylor Johnston, Edwin D. Morgan, Frederick Schuchardt, Giles W. Hotchkiss, William T. Hart, Henry L. Lansing, Cortlandt Parker, Homer Ramsdell, Lucius Robinson, William W. Shippen, one vacancy.

1874-1875.

Hugh J. Jewett, President (President Watson retired July 15, 1874); G. R. Blanchard, 2d Vice-President; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, Herman R. Baltzer, S. L. M. Barlow, William Butler Duncan, R. Suydam Grant, John A. C. Gray, John Taylor Johnston, Edwin D. Morgan, Louis H. Meyer, Frederick Schuchardt, Henry G. Stebbins, Marshall O. Roberts, Cortlandt Parker, Lucius Robinson, Homer Ramsdell, Thomas A. Scott, one vacancy.

September 10, 1875, S. L. M. Barlow and Marshall O. Roberts resigned. James P. Brown and J. Lowber Welsh were elected to the vacancies.

1875-1876.

Hugh J. Jewett, President and Receiver; G. R. Blanchard, Assistant to Receiver; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, Samuel Sloan, Henry G. Stebbins, George F. Talman, Marshall O. Roberts, John A. C. Gray, Edwin D. Morgan, John Taylor Johnston, R. Suydam Grant, Herman R. Baltzer, John B. Brown, Thomas Dickson, Giles W. Hotchkiss, Asa Packer, Homer Ramsdell, J. Lowber Welsh, Solomon S. Guthrie.

1876-1877.

Hugh J. Jewett, President and Receiver; G. R. Blanchard, Assistant to Receiver; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, Samuel Sloan, Henry G. Stebbins, Louis H. Meyer, Edwin D. Morgan, Solomon S. Guthrie, John Taylor Johnston, R. Suydam Grant, Herman R. Baltzer, J. Lowber Welsh, Lucius Robinson, Giles W. Hotchkiss, Homer Ramsdell, Cortlandt Parker, Asa Packer, Thomas Dickson, John B. Brown.

1877-1878.

Hugh J. Jewett, President and Receiver; G. R. Blanchard, W. R. Sherman, Assistants to Receiver; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, William Wallace MacFarland, Joseph Larocque, William H. Taylor, Henry L. Lansing, Pascal P. Pratt, A. S. Diven, Charles Dana, Samuel D. Babcock, A. R. MacDonough, Herman R. Baltzer, J. Lowber Welsh, John Taylor Johnston, Cortlandt Parker, Henry G. Stebbins, Edwin D. Morgan, George F. Talman.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

(Formed under Articles of Incorporation, April 27, 1878.)

INCORPORATORS.—Hugh J. Jewett, John Taylor Johnston, R. Suydam Grant, Solomon S. Guthrie, Edwin D. Morgan, Cortlandt Parker, Homer Ramsdell, Samuel Sloan, Henry G. Stebbins, George F. Talman, J. Lowber Welsh, David A. Wells, William Walter Phelps, Charles Dana, J. Frederick Pierson, Theron R. Butler, James J. Goodwin, Herman R. Baltzer, John B. Brown, Thomas Dickson, Asa Packer, Giles W. Hotchkiss, Marshall O. Roberts, Sir Edward William Watkin, M.P., Oliver Gourley Milton, Henry Rawson, John Keyneston Cross, M.P., John Westlake, Q.C., Peter M. Logan, M.P., Benjamin Whitworth, M.P., Thomas Wilde Powell.

## UNDER THE REORGANIZATION.

1878-1879.

Hugh J. Jewett, President; G. R. Blanchard, Assistant to President; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, John Taylor Johnston, Edwin D. Morgan, Henry G. Stebbins, Samuel Sloan, John Frederick Pierson, George F. Talman, Solomon S. Guthrie, Cortlandt Parker, Homer Ramsdell, David A. Wells, J. Lowber Welsh, Theron R. Butler, Charles Dana, R. Suydam Grant, James J. Goodwin, one vacancy.

## BETWEEN THE OCEAN AND THE LAKES

1879-1880.

Hugh J. Jewett, President ; George R. Blanchard, Assistant to the President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, J. Lowber Welsh, Theron N. Butler, Charles Dana, R. Suydam Grant, James J. Goodwin, John Taylor Johnston, James R. Keene, E. D. Morgan, J. F. Pierson, H. G. Stebbins, Samuel Sloan, George F. Talman, Cortlandt Parker, Solomon S. Guthrie, Homer Ramsdell, one vacancy.

1880-1881.

Hugh J. Jewett, President ; George R. Blanchard, Assistant to the President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, Theron R. Butler, Charles Dana, Harrison Durkee, R. Suydam Grant, James J. Goodwin, John Taylor Johnston, James R. Keene, E. D. Morgan, John Frederick Pierson, Henry G. Stebbins, William L. Strong, J. Lowber Welsh, Cortlandt Parker, Solomon S. Guthrie, Homer Ramsdell, Thomas Dickson.

1881-1882.

Hugh J. Jewett, President ; George R. Blanchard, Assistant to the President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, Theron R. Butler, Charles Dana, Harrison Durkee, R. Suydam Grant, James J. Goodwin, John Taylor Johnston, Jacob H. Schiff, Francis N. Drake, E. D. Morgan, John Frederick Pierson, Henry G. Stebbins, William L. Strong, J. Lowber Welsh, Cortlandt Parker, Solomon S. Guthrie, Homer Ramsdell, Thomas Dickson.

1882-1883.

Hugh J. Jewett, President ; George R. Blanchard, First Vice-President ; Robert Harris, Second Vice-President ; Stephen Little, Comptroller ; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, Theron R. Butler, Charles Dana, Harrison Durkee, R. Suydam Grant, James J. Goodwin, John Taylor Johnston, Jacob H. Schiff, Francis N. Drake, E. D. Morgan, John Frederick Pierson, Henry G. Stebbins, William L. Strong, J. Lowber Welsh, Cortlandt Parker, Solomon S. Guthrie, Homer Ramsdell, Thomas Dickson.

1883-1884.

Hugh J. Jewett, President ; John King, Assistant President ; George R. Blanchard, First Vice-President ; Edmund T. Bowen, Second Vice-President ; Stephen Little, Comptroller ; Augustus R. MacDonough, Secretary.

DIRECTORS.—Hugh J. Jewett, Theron R. Butler, Charles Dana, Harrison Durkee, R. Suydam Grant, James J. Goodwin, John Taylor Johnston, Jacob H. Schiff, Francis N. Drake, E. D. Morgan, John Frederick Pierson, Henry G. Stebbins, William L. Strong, J. Lowber Welsh, Cortlandt Parker, Solomon S. Guthrie, Homer Ramsdell, Thomas Dickson.

1884-1885.

John King, President ; Edmund T. Bowen, Vice-President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—John King, William Whitewright, J. G. McCullough, Ogden Mills, William A. Wheelock, W. B. Dinsmore, William Libby, James A. Raynor, George M. Graves, Henry H. Cook, George W. Quintard, William N. Gilchrist, Jacob Hayes, William L. Strong, J. Lowber Welsh, Cortlandt Parker, James J. Goodwin.

1885-1886.

John King, President ; S. M. Felton, Jr., First Vice-President ; Andrew Donaldson, Third Vice-President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—John King, Henry H. Cook, W. B. Dinsmore, Wm. N. Gilchrist, James J. Goodwin, George M. Graves, Jacob Hayes, William Libby, Ogden Mills, Geo. W. Quintard, Wm. L. Strong, Wm. A. Wheelock, Wm. Whitewright, Chas. E. Loew, John G. McCullough, J. Lowber Welsh, Cortlandt Parker.

1886-1887.

John King, President ; S. M. Felton, Jr., First Vice-President ; Andrew Donaldson, Third Vice-President ; A. R. MacDonough, Secretary.

DIRECTORS.—John King, J. G. McCullough, J. Lowber Welsh, Cortlandt Parker, Henry H. Cook, William Libby, William A. Wheelock, William Whitewright, George W. Quintard, Ogden Mills, William L. Strong, William B. Dinsmore, Morris K. Jessup, James J. Goodwin, William N. Gilchrist, Josiah Belden, Joseph Ogden.

1887-1888.

John King, President ; S. M. Felton, Jr., First Vice-President ; A. Donaldson, Third Vice-President ; A. R. MacDonough, Secretary.

DIRECTORS.—John King, Josiah Belden, Henry H. Cook, William B. Dinsmore, William N. Gilchrist, James J. Goodwin, Morris K. Jessup, William Libby, John G. McCullough, Ogden Mills, Joseph Ogden, Cortlandt Parker, George W. Quintard, William L. Strong, J. Lowber Welsh, William A. Wheelock, William Whitewright.

1888-1889.

John King, President ; S. M. Felton, Jr., First Vice-President ; Eben B. Thomas, Second Vice-President ; Andrew Donaldson, Third Vice-President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—John King, Josiah Belden, Henry H. Cook, W. N. Gilchrist, J. J. Goodwin, Morris K. Jessup, Wm. Libby, J. G. McCullough, Ogden Mills, Cortlandt Parker, G. W. Quintard, W. L. Strong, J. Lowber Welsh, W. A. Wheelock, Wm. Whitewright, Wm. F. Reynolds, S. M. Felton, Jr.

1889-1890.

John King, President ; S. M. Felton, Jr., First Vice-President ; Eben B. Thomas, Second Vice-President ; Andrew Donaldson, Third Vice-President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—John King, Josiah Belden, Henry H. Cook, W. N. Gilchrist, J. J. Goodwin, Morris K. Jessup, Wm. Libby, J. G. McCullough, Ogden Mills, Cortlandt Parker, G. W. Quintard, W. L. Strong, J. Lowber Welsh, W. A. Wheelock, Wm. Whitewright, Wm. F. Reynolds, S. M. Felton, Jr.

1890-1891.

John King, President ; Eben B. Thomas, Second Vice-President ; Andrew Donaldson, Third Vice-President ; Augustus R. MacDonough, Secretary.

DIRECTORS.—John King, Josiah Belden, Henry H. Cook, W. N. Gilchrist, J. J. Goodwin, Morris K. Jessup, Wm. Libby, J. G. McCullough, Ogden Mills, Cortlandt Parker, G. W. Quintard, W. L. Strong, J. Lowber Welsh, W. A. Wheelock, Wm. Whitewright, Wm. F. Reynolds, Eben B. Thomas.

1891-1892.

John King, President ; E. B. Thomas, First Vice-President ; G. H. Vaillant, Second Vice-President ; A. Donaldson, Third Vice-President ; A. R. MacDonough, Secretary.

DIRECTORS.—John King, E. B. Thomas, G. H. Vaillant, J. G. McCullough, Henry H. Cook, W. N. Gilchrist, James J. Goodwin, Morris K. Jessup, Wm. Libby, Ogden Mills, Cortlandt Parker,

George W. Quintard, William L. Strong, J. Lowber Welsh, W. A. Wheelock, Wm. Whitewright.

## 1892-1893.

John King, President; E. B. Thomas, First Vice-President; G. H. Vaillant, Second Vice-President; A. Donaldson, Third Vice-President; A. R. MacDonough, Secretary.

DIRECTORS.—John King, E. B. Thomas, J. G. McCullough, Henry H. Cook, W. N. Gilchrist, J. J. Goodwin, A. S. Hewitt, Morris K. Jessup, Wm. Libby, Ogden Mills, Alexander E. Orr, Cortlandt Parker, Geo. W. Quintard, William L. Strong, J. Lowber Welsh, W. A. Wheelock, Wm. Whitewright.

## 1893-1894.

John King, President, and J. G. McCullough, Receivers; Eben B. Thomas, First Vice-President; G. H. Vaillant, Second Vice-President; Andrew Donaldson, Third Vice-President; Augustus R. MacDonough, Secretary.

DIRECTORS.—John King, E. B. Thomas, J. G. McCullough, Henry H. Cook, W. N. Gilchrist, J. J. Goodwin, A. S. Hewitt, Morris K. Jessup, William Libby, Ogden Mills, Alexander E. Orr, Cortlandt Parker, Geo. W. Quintard, William L. Strong, J. Lowber Welsh, W. A. Wheelock, Wm. Whitewright.

## 1894-1895.

Eben B. Thomas, President, and J. G. McCullough, Receivers; Andrew Donaldson, Third Vice-President; A. R. MacDonough, Secretary.

DIRECTORS.—E. B. Thomas, John King, J. G. McCullough, Ogden Mills, J. Lowber Welsh, A. S. Hewitt, Wm. Whitewright, W. A. Wheelock, A. E. Orr, H. H. Cook, Morris K. Jessup, G. W. Quintard, Wm. Libby, Cortlandt Parker, Jas. J. Goodwin, W. N. Gilchrist.

## ERIE RAILROAD COMPANY.

*Incorporated November 14, 1895.*

INCORPORATORS.—Temple Bowdoin, Charles H. Coster, J. H. Emanuel, Jr., A. H. Gilland, A. B. Hopper, Thomas W. Joyce, Walter S. Kemeyes, J. P. Morgan, Jr., Francis Lynde Stetson, Mortimer F. Smith, W. T. Townsend, J. H. Tierney, E. B. Thomas.

## UNDER THE REORGANIZATION.

## 1895-1896.

E. B. Thomas (President), J. G. McCullough, Receivers; A. Donaldson, Third Vice-President; A. R. MacDonough, Secretary.

DIRECTORS.—E. B. Thomas, John King, J. G. McCullough, Ogden Mills, J. Lowber Welsh, A. S. Hewitt, Wm. Whitewright, W. A. Wheelock, A. E. Orr, H. H. Cook, Morris K. Jessup, G. W. Quintard, Wm. Libby, Cortlandt Parker, Jas. J. Goodwin, W. N. Gilchrist.

## 1896-1897.

E. B. Thomas, President; G. M. Cumming, First Vice-President; William F. Merrill, Second Vice-President; A. Donaldson, Third Vice-President; G. G. Cochran, Fourth Vice-President; J. A. Middleton, Secretary.

DIRECTORS.—E. B. Thomas, C. H. Coster, Samuel Spencer, J. G. McCullough, F. L. Stetson, L. E. Williamson, James Galloway, A. E. Orr, A. S. Hewitt, James J. Goodwin, D. O. Mills, G. W. Quintard, J. Lowber Welsh.

## 1897-1898.

E. B. Thomas, President; G. M. Cumming, First Vice-President; William F. Merrill, Second Vice-President; A. Donaldson, Third Vice-President; G. G. Cochran, Fourth Vice-President; J. A. Middleton, Secretary.

DIRECTORS.—E. B. Thomas, C. H. Coster, Samuel Spencer, J. G. McCullough, F. L. Stetson, L. E. Williamson, James Galloway, A. E. Orr, A. S. Hewitt, James J. Goodwin, D. O. Mills, G. W. Quintard, J. Lowber Welsh.

## TREASURERS.

## NEW YORK AND ERIE RAILROAD COMPANY.

William G. Buckner.....	Sept. 10, 1833 to Feb. 4, 1835.
Eleazar Lord .....	May 11, 1835 " Sept. 14, 1835.
Peter G. Stuyvesant.....	Sept. 14, 1835 " Dec. 6, 1836.
Elihu Townsend .....	Nov. 22, 1838 " Oct. 8, 1839.
George S. Robbins .....	Oct. 8, 1839 " April 30, 1840.
James Bowen .....	April 30, 1840 " May 28, 1841.
Henry L. Pierson.....	May 28, 1841 " Feb. 11, 1842.
Silas Brown.....	July 1, 1844 " Mar. 10, 1848.
Thomas J. Townsend.....	May 10, 1848 " July 27, 1853.
Nelson Robinson.....	July 27, 1853 " Dec. 12, 1854.
Daniel Drew.....	Mar. 14, 1854 " July 20, 1857.
Herman Gelpcke .....	July 20, 1857 " April 12, 1858.

## ERIE RAILWAY COMPANY.

Talman J. Waters.....	April 30, 1861 to Sept. 2, 1863.
John Hilton .....	Sept. 2, 1863 " June 26, 1866.
E. W. Brown.....	June 26, 1866 " Oct. 8, 1867.
Daniel Drew .....	Oct. 8, 1867 " July 10, 1868.
Jay Gould.....	July 10, 1868 " Dec. 30, 1871.
J. D. White.....	Dec. 30, 1871 " Mar. 11, 1872.
W. W. Sherman .....	Mar. 11, 1872 " July 23, 1872.
James B. Hodgskin.....	July 23, 1872 " Jan. 14, 1873.
William Pitt Sherman.....	Jan. 14, 1873 " Dec. 21, 1876.
Bird W. Spencer (acting).....	Dec. 21, 1876 " April 27, 1878.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

Bird W. Spencer.....	Apr. 27, 1878 to Nov. 24, 1884.
Charles G. Lincoln.....	Nov. 24, 1884. Died in Dec., 1884.
Edward White .....	Jan. 15, 1885 to Nov. 30, 1895.

## ERIE RAILROAD COMPANY.

Edward White.....	Nov. 30, 1895 to Oct. 11, 1898.
Andrew Donaldson.....	Oct. 11, 1898. (In office, 1899.)

## AUDITORS.

## NEW YORK AND ERIE RAILROAD COMPANY.

(The title of auditor was not actually conferred in the Erie service until 1855, when Benjamin E. Bremner was appointed auditor, the duties having been performed under direction of the secretary until that time, although W. E. Warren, and later Talman J. Waters, had acted as chief accountants during that period.)

Benjamin E. Bremner.....	1855 to 1861
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## ERIE RAILWAY COMPANY.

Benjamin E. Bremner.....	1861 to 1865.
John Hilton .....	1865 " 1868.
John Calhoun.....	1868 " 1870.
G. P. Morosini.....	1870 " 1872.
Sylvanus H. Dunan.....	1872 " 1874.
Stephen Little.....	1874 " 1878.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

Stephen Little.....	1878 to 1886.
Andrew Donaldson.....	1886 " 1895.

## ERIE RAILROAD COMPANY.

J. T. Wann ..... 1895. (In office, 1899.)

## GENERAL PASSENGER AGENTS.

## NEW YORK AND ERIE RAILROAD COMPANY.

Henry Fitch ..... May, 1846 to Mar., 1852.  
 Charles B. Greenough... Mar., 1852 " Aug., 1859.  
 George S. Dunlap..... Aug., 1859 " June, 1861.

## ERIE RAILWAY COMPANY.

William R. Barr..... June, 1861 to June, 1872.  
 John N. Abbott..... June, 1872 " April 28, 1878.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

John N. Abbott..... April 28, 1879 to Dec. 16, 1886.  
 Leslie P. Farmer..... Jan., 1886 " Aug., 1890.  
 W. C. Rinearson ..... Aug. 6, 1890 " Dec., 1891.  
 Duncan I. Roberts..... Dec. 7, 1891 " Nov. 30, 1895.

## ERIE RAILROAD COMPANY.

Duncan I. Roberts..... Nov. 30, 1895. (In office, 1899.)

## GENERAL FREIGHT AGENTS.

## NEW YORK AND ERIE RAILROAD COMPANY.

Samuel S. Brown..... Sept., 1841.  
 (No record in the freight department of his immediate successors.)  
 B. W. Blanchard..... Jan., 1858 to April 30, 1861.

## ERIE RAILWAY COMPANY.

B. W. Blanchard..... April 30, 1861 to June, 1872.  
 John M. Osborne..... June, 1872 " Sept., 1872.  
 George R. Blanchard..... Sept., 1872 " Sept., 1873.  
 R. C. Vilas..... Sept., 1873 " April 30, 1878.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

R. C. Vilas..... April 30, 1878 to May 1, 1883.  
 Edward Foley..... May 2, 1883 " Sept. 1, 1885.  
 John S. Hammond..... Sept. 2, 1885 " Mar., 1886.  
 F. L. Pomeroy ..... Mar., 1886 " Jan., 1893.  
 H. B. Chamberlain ..... Feb., 1893 " May, 1895.  
 James Leeming..... May, 1895 " Nov. 30, 1895.

## ERIE RAILROAD COMPANY.

James Leeming..... Nov. 30, 1895. (In office, 1899.)

## ERIE'S OPERATIVE DEPARTMENT.

1841-1899.

These data are a historical review simply of the operative department of the Erie in so far as it relates to the railroad and its outgrowth in the original Erie territory. The Erie proper, its entire length, is now known officially as the Erie Division. The railroads now in the Erie system obtained by the acquisition of the Nypano and Chicago and Erie connections comprise the Ohio Division. Data in relation to them is dealt with on pages 283, 286, 287.

## GENERAL SUPERINTENDENTS.

Hezekiah C. Seymour ..... Sept. 23, 1841 to April 1, 1849.  
 James P. Kirkwood..... April 1, 1849 " May 1, 1850.  
 Charles Minot ..... May 1, 1850 " May 1, 1854.  
 Daniel Craig McCallum.... May 1, 1854 " Mar. 1, 1857.

(No successor was appointed to McCallum as general superintendent. President Ramsdell assumed the duties of superintendent, and April 1, 1857, the old system of operating the railroad by four divisions was changed to one that divided the railroad into two divisions: one from New York to Susquehanna, called the Eastern Division, and one from Susquehanna to Dunkirk, called the Western Division. Neither the Rochester nor Buffalo Divisions had as yet come to be parts of the Erie. Hugh Riddle was made superintendent of the Eastern Division, and James A. Hart, of the Western Division. This arrangement was continued under the administration of President Moran, he acting as general superintendent. In August, 1859, Charles Minot, having been recalled to the railroad as general superintendent, the old four-division system was restored.)

Charles Minot..... Aug. 19, 1859 to Dec. 31, 1864.  
 Hugh Riddle..... Jan. 1, 1865 " May 1, 1869.  
 L. D. Rucker... May 1, 1869 " Sept. 18, 1872.

(September 18, 1872, Peter H. Watson, then president, abolished the office of general superintendent, and created a department of transportation, a department of rolling stock, and a department of roads. Gen. A. S. Diven, vice-president, had charge of them all. H. D. V. Pratt was appointed superintendent of transportation; Robert M. Brown, superintendent of roads, and Myron T. Brown, superintendent of rolling stock. The division superintendents became assistant superintendents of transportation. Robert B. Cable succeeded Pratt as superintendent of transportation, January 12, 1873; the division superintendents were changed back to their old titles. The office of general manager was created, and James C. Clarke was appointed to the place. August 15, 1874, Hugh J. Jewett, he having come in as president, abolished the office of general manager, and restored the title of general superintendent. Clarke retired, and Edmund S. Bowen became general superintendent. The office of general manager was revived by President Jewett, January, 1879, and Robert Harris was appointed to perform its duties. He left the Erie service in 1883, and the title lapsed. It was revived in 1887, when R. H. Soule was made general manager. He was succeeded by Alfred Walters, March 1, 1892, who continued in the office until November 22, 1894. There has been no general manager since then.)

Edmund S. Bowen..... Aug. 15, 1874 to June 1, 1881.  
 Benjamin Thomas..... June 1, 1881 " Aug., 1887.  
 W. J. Murphy ..... Aug. 21, 1887 " Mar. 26, 1890.  
 J. H. Barrett ..... Jan. 23, 1890 " April 19, 1892.  
 C. R. Fitch..... Nov. 1, 1892. (In office, 1899.)

## DIVISION SUPERINTENDENTS.

*New York (originally Eastern) Division and Branches.*

Jersey City to Port Jervis, N. Y., 88 miles; " Bergen County, Short-cut," Rutherford Junction to Ridgewood, 10 miles; Piermont Branch, Suffern to Sparkill, 16 miles; " Newburgh, Short-cut," Arden to Newburgh, 14 miles; Newburgh Branch, Greycourt to Newburgh, 19 miles; Montgomery

Branch, Goshen to Montgomery, 10 miles; Pine Island Branch, Goshen to Pine Island, 12 miles; Crawford Branch, Middletown to Pine Bush, 26 miles.

## NEW YORK AND ERIE RAILROAD COMPANY.

W. C. Taylor, Division Agent,  
 Piermont.....May 1, 1850 to Mar. 17, 1851.  
 A. S. Whiton.....Mar. 17, 1851 " May, 1852.  
 Peter Ward.....May, 1852 " Sept., 1854.  
 A. S. Whiton.....Sept., 1854 " Mar. 31, 1857.  
 H. Riddle.....Apr. 1, 1857 " Dec. 17, 1859.  
 H. F. Sweetser.....Dec. 17, 1859 " Apr. 30, 1861.

## ERIE RAILWAY COMPANY.

H. F. Sweetser.....Apr. 30, 1861 to Nov. 1, 1862.  
 C. S. Robinson.....Nov. 1, 1862 " Sept. 1, 1864.  
 H. Hobbs.....Sept. 1, 1864 " Aug. 7, 1869.  
 A. P. Berthoud.....Aug. 7, 1869 " Sept. 21, 1872.  
 G. S. Redington.....Sept. 21, 1872 " Jan. 7, 1873.  
 E. O. Hill.....Jan. 7, 1873 " Apr. 30, 1878.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

E. O. Hill.....Apr. 30, 1878 to Jan. 7, 1886.  
 J. H. Barrett.....Jan. 7, 1886 " Sept. 21, 1886.  
 W. W. Stearns.....Sept. 20, 1888 " May 13, 1891.  
 W. H. Starr (Acting).....May 13, 1891 to June 1, 1891.  
 C. R. Fitch.....June 1, 1891 " Nov. 1, 1892.  
 M. W. Maguire.....Nov. 1, 1892 " Nov. 30, 1895.

## ERIE RAILROAD COMPANY.

M. W. Maguire.....Nov. 30, 1895 to Mar. 1, 1899.  
 J. F. Maguire.....Mar. 1, 1899 " date.

Miles of track in Jersey City yard, fifty-five; in Bergen yard, thirty-two. Track changed to standard gauge June 22, 1880. The third rail was first used from Jersey City Sunday, December 29, 1878.

The making of the great Erie terminals at Jersey City was begun in 1856, after the Long Dock Company was chartered. ("Administration of Homer Ramsdell," page 119.) Not until the Bergen tunnel was completed in 1861 were they brought to a capacity commensurate with the increase in the traffic of the railroad. Year by year they have grown in greatness. In 1897 the crowning work in their completeness was begun. ("Administration of John King," page 284.) This was the elevation of the tracks at Jersey City. The work was finished Sunday, May 7, 1899, when the change was made, under the direction of Superintendent J. F. Maguire, from the old system to the new, between the time of train 604, at 9.56 A.M., and the time of train 603, at 10.44 A.M., without delaying either. This improvement does away with all grade crossings in Jersey City, and cost \$1,000,000.

When Hugh Riddle was superintendent of this division the railroad had been changed from four divisions to two, and Riddle was superintendent of the Eastern Division, Jersey City to Susquehanna.

At the time G. S. Redington was superintendent of this division, he was also superintendent of the Delaware Division, with the title of assistant superintendent of transportation.

*Delaware Division and Branch.*

Port Jervis, N. Y., to Susquehanna, Pa., 105 miles; Honesdale Branch, Lackawaxen, Pa., to Honesdale, Pa., 24 miles.

## NEW YORK AND ERIE RAILROAD COMPANY.

W. H. Power.....May, 1850 to May 1, 1855.  
 Hugh Riddle.....May 1, 1855 " Apr. 30, 1861.

## ERIE RAILWAY COMPANY.

Hugh Riddle.....Apr. 30, 1861, to Jan. 1, 1865.  
 C. W. Douglas.....Jan. 1, 1865 " Mar., 1869.  
 G. S. Redington.....Mar., 1869 " Jan. 12, 1873.  
 B. Thomas.....Jan. 12, 1873 " Apr. 30, 1878.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

B. Thomas.....Apr. 30, 1878 to June 1, 1880.  
 Chas. Neilson.....June 1, 1880 " Aug. 22, 1882.  
 W. J. Murphy.....Aug. 22, 1882 " Nov., 1884.  
 E. Van Etten.....Nov., 1884 " Aug., 1887.  
 W. H. Starr.....Aug., 1887 " Oct. 1, 1890.  
 W. L. Derr.....Oct. 1, 1890 " Nov. 14, 1895.

## ERIE RAILROAD COMPANY.

W. L. Derr.....Nov. 30, 1895 to Mar. 1, 1899.  
 Geo. A. Thompson.....Mar. 1, 1899 " date.

Division agent was the original title of the superintendent, by which W. H. Power was known until after the railroad was opened to Dunkirk in 1851.

Division headquarters at Port Jervis. Division all double-tracked. Miles of track in Port Jervis yard, 42.

*Susquehanna Division.*

Susquehanna, Pa., to Hornellsville, N. Y., 139 miles.

## NEW YORK AND ERIE RAILROAD COMPANY.

First superintendent, or division agent, not on record.

D. C. McCallum.....May 1, 1850 to June 30, 1853.  
 R. N. Brown.....July 1, 1853 " Sept. 30, 1854.  
 J. A. Hart.....Oct. 1, 1854 " April 1, 1857.  
 H. B. Smith.....April 1, 1857 " Apr. 30, 1861.

## ERIE RAILWAY COMPANY.

H. B. Smith.....April 30, 1861 to Jan. 1, 1865.  
 H. D. V. Pratt.....Jan. 1, 1865 " Sept. 21, 1872.  
 C. W. Gardner.....Sept. 21, 1872 " Jan. 12, 1873.  
 R. B. Cable.....Jan. 12, 1873 " Apr. 30, 1878.

## NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

R. B. Cable.....April 30, 1878 to 1882.  
 J. Jolls (Acting).....1882 " Feb. 9, 1885.  
 R. B. Cable.....Feb. 9, 1885 " Oct. 1, 1886.  
 D. H. Blackham.....Oct. 1, 1886 " Feb. 14, 1887.  
 A. M. Tucker.....Feb. 14, 1887 " Feb. 15, 1888.  
 C. V. Merrick (Acting)..... } 1888 " 1889.  
 W. B. Coffin..... }  
 J. H. Parsons.....Sept. 1, 1889 " Nov. 1, 1890.  
 W. H. Starr (Acting).....Nov. 1, 1890 " Nov. 10, 1890.  
 M. W. Maguire.....Nov. 10, 1890 " Nov. 1, 1892.  
 J. F. Maguire.....Nov. 1, 1892 " Nov. 14, 1895.

## ERIE RAILROAD COMPANY.

J. F. Maguire.....Nov. 14, 1895 to April 1, 1899  
 W. L. Derr.....April 1, 1899 " date.

Division headquarters, Elmira, N. Y. The original headquarters were at Owego. Main shops of the Erie are at Susquehanna, Pa., and employ 992 men. Elmira shop (repair shop) employs 123 men.

H. B. Smith succeeded J. A. Hart as superintendent of the Susquehanna and Western Division, with headquarters at Hornellsville, in 1858, and served until the two-division system was abolished in December, 1859. He was also superintendent of the Northern Division, Elmira to Canandaigua.

C. W. Gardner was assistant superintendent of transportation for the Susquehanna and Rochester Divisions, from September 21, 1872, to January 12, 1873.

Division all double-tracked.

*Allegany (originally Western) Division.*

Hornellsville, N. Y., to Dunkirk, N. Y., 128 miles.

NEW YORK AND ERIE RAILROAD COMPANY.

R. N. Brown	Aug. 1, 1851 to June 30, 1853.
T. L. Smith	July 1, 1853 " Dec. 31, 1853.
J. A. Hart	Jan. 1, 1854 " Sept. 30, 1854.
H. B. Smith	Oct. 1, 1854 " May 31, 1856.
S. C. Jillson	June 1, 1856 " Mar. 31, 1857.
J. A. Hart	April 1, 1857 " May 31, 1858.
C. L. Robinson	June 1, 1858 " April 30, 1861.

ERIE RAILWAY COMPANY.

C. L. Robinson	April 30, 1861 to Oct. 31, 1862.
H. G. Brooks	Nov. 1, 1862 " Feb. 28, 1865.
J. S. Beggs	Mar. 1, 1865 " Sept. 30, 1872.
R. G. Taylor	Oct. 1, 1872 " June 30, 1873.
J. S. Beggs	July 1, 1873 " April 30, 1878.

NEW YORK, LAKE ERIE AND WESTERN RAILROAD COMPANY.

J. S. Beggs	April 30, 1878 to Nov. 20, 1881.
W. B. Coffin	Nov. 20, 1881 " Dec. 14, 1887.
E. F. Knibloe	Dec. 15, 1887 " June 30, 1888.
J. H. Parsons	July 1, 1888 " Sept. 30, 1889.
M. W. Maguire	Oct. 1, 1889 " Nov. 9, 1890.
J. F. Maguire	Nov. 15, 1890 " Oct. 31, 1892.
H. E. Gilpin	Nov. 1, 1892 " Nov. 14, 1895.

ERIE RAILROAD COMPANY.

H. E. Gilpin ..... Nov. 14, 1895. (In office, 1899.)

Division headquarters transferred from Dunkirk to Hornellsville, November 20, 1881. Track on the division changed from six-foot gauge to standard gauge, June 22, 1880. Single track, except 6 miles between Carrollton and Salamanca. Miles of track in Hornellsville yard, 46. Interchange yard at Dayton, 20 miles of track.

In 1851, all the plant the Erie had at Hornellsville was a shed that housed two engines. In 1852 additions were made for machinery for repairing engines. From time to time additions were made until by 1854 the shop was large. In that year ground was broken for a new round-house and shop, which were two years in building. When done, they were dedicated by a grand ball held in the shop, attended by citizens of Hornellsville, and by many prominent railroad men from other points along the line of the Erie. A banquet was provided at the Erie depot dining-saloon. January 20, 1857, the shops were partially destroyed by fire. The Company thought it never would want any bigger shops, and sold much of the land. The shops and round-houses had to

be enlarged several times, and in 1878 the Company purchased thirty acres on the east side of the yard, near the river, and built the present great shops, round-houses, and offices, erected and first occupied in May, 1882. The original depot was burned November 31, 1879, and the present one built in 1880.

*Buffalo Division and Branches.*

Hornellsville to Buffalo, 92 miles; Buffalo to Suspension Bridge, 26 miles; Tonawanda to Lockport, 14 miles; International Junction to Black Rock, 3 miles; Buffalo to Jamestown, 69 miles.

H. C. Fisk	1859 to 1872.
O. S. Lyford	1872 " 1873.
R. G. Taylor	1873 " 1881.
C. W. Gardner	1881 " 1882.
Charles Neilson	1882 " 1884.
W. J. Murphy	1884 " 1887.
E. Van Etten	1887 to July 1, 1889.
C. A. Brunn	July 1, 1889. (In office, 1899.)

While this division, from Hornellsville to Attica, was the Buffalo and New York City Railroad (1852 to 1857) it had as superintendents, Silas Seymour, J. H. Hoyt, and A. D. Patchin successively. ("The Building of It," pages 360-363.)

The broad gauge was changed to standard in June, 1880. Division headquarters at Buffalo. Division all double-tracked.

*Rochester Division and Branches.*

Corning to Rochester, 91 miles; Avon to Mt. Morris, 15 miles; Avon to Attica, 35 miles; Conesus Junction to Lakeville, 2 miles.

George W. Bartlett	Feb. 1, 1886 to Feb. 15, 1887.
W. H. Starr	Feb. 15, 1887 " Aug. 21, 1887.
G. A. Thompson	Aug. 21, 1887 " Mar. 1, 1899.
W. H. Barrett	Mar. 1, 1899. (In office, 1899.)

Division headquarters at Rochester, N. Y. The Rochester Division was operated jointly with the Buffalo Division previous to February 1, 1886, and at the time of the change was in charge of W. J. Murphy, as superintendent, with headquarters at Buffalo, N. Y. Track changed to standard gauge in June, 1880. ("The Building of It," pages 360-363.)

*Divisions formerly Erie Branches or Leased Lines.*

JEFFERSON DIVISION.—Susquehanna, Pa., to Carbondale, Pa., 39 miles. GEORGE W. DOWE, Superintendent, Carbondale, Pa.

TIoga DIVISION.—Elmira, N. Y., to Hoytville, Pa., 61 miles; Tioga Junction to Lawrenceville, Pa., 4 miles. F. B. LINCOLN, Superintendent, Arnot, Pa.

BRADFORD DIVISION.—Carrollton, N. Y., to Johnsonburg, Pa., 53 miles; Brockwayville, Pa., to Toby Mines, 12 miles; Daguscahonda, Pa., to Dagus Mines, 6 miles. C. V. MERRICK, Superintendent, Bradford, Pa.

GREENWOOD LAKE DIVISION.—Jersey City to Greenwood Lake, N. Y., 48 miles; Caldwell Junction to Essex Falls, N. J., 6 miles; Forest Hill, N. J., to Orange, 4 miles. NORTHERN RAILROAD OF NEW JERSEY.—Jersey City to Nyack, N. Y., 28 miles. T. H. PINDELL, Superintendent, Jersey City.

TABLE SHOWING, YEAR BY YEAR, THE GROWTH OF THE ERIE IN MILEAGE OF TRACK OWNED AND LEASED, THE INCREASE IN ITS EQUIPMENT AND TRAFFIC, ETC., SINCE THE BEGINNING OF OPERATIONS, SEPTEMBER 23, 1841. (THE NUMBER OF EMPLOYEES IN ROUND NUMBERS IS ESTIMATED, THERE BEING NO RETURN OF THAT ITEM MADE IN THE OFFICIAL REPORTS FOR THOSE YEARS.)

YEAR.	Railroad Completed, Main Line, Single Track.	Branches or Other Roads Owned, Miles, Single Track.	Railroads Leased or Operated, Miles, Single Track.	Double Track, Sidings, and Turnouts, Miles.	Weight of New Rail Laid, Pounds per Yard.	No. Locomotives.	No. First-class Passenger Cars.	No. Second-class Passenger Cars.	No. Baggage, Express, Milk, Mail, and Other Cars.	No. Freight Cars.	Average Speed of Express Trains, Miles per Hour.	Average Speed of Ordinary Passenger Trains, Miles per Hour.	No. Passengers Carried.	Tons of Freight Carried, all Kinds.	No. Passengers Killed.	No. Employees Killed.	No. Others Killed.	No. Persons Employed.
1841..	46				56	5	4	2		3								112
1842..	46				56	5	4	2		3								133
1843..	53				56	5	4	2		3								162
1844..	53				56	5	4	2		3								209
1845..	53				56	5	4	2		3								276
1846..	62				56	7	9	2		66								319
1847..	62				56 to 60	10	9	2		77								344
1848..	74				56 to 60	19	24	3		72								514
1849..	269½	26		9	56 to 60	55	39	3		12								604
1850..	337	19	26	10	56 to 60	65	38	5		17								986
1851..	445	19	56	58½	58 to 72	123	61	7	24	1,340	25	24	688,780	250,096	1	13	12	1,325
1852..	445	19	56	80½	58 to 72	142	75	17	43	1,834	30	24	864,330	456,460	7	21	15	1,800
1853..	445	19	56	217½	58 to 72	143	93	26	41	2,281	33	29	1,154,437½	631,039	3	24	20	2,600
1854..	445	19	56	262	58 to 74	183	102	28	43	2,762	35	30	1,125,123½	743,250	5	25	15	3,000
1855..	445	120	56	260	58 to 74	203	97	28	43	2,770	32	26	1,033,392	842,054	3	14	19	3,500
1856..	446	19	56	281	58 to 74	203	103	28	43	2,810	32	26	1,077,126	692,488	5	15	23	4,000
1857..	446	19	56	281	56 to 74	210	90	30	40	2,780	32	26	1,016,086	978,060	3	21	9	4,000
1858..	446	19	56	281	56 to 74	210	96	42	45	2,684	26½	26	793,882	816,964	7	11	7	4,200
1859..	446	19	94	282	56 to 74	210	100	49	45	2,763	27½	22	866,841	860,872	2	12	17	4,400
1860..	446	19	94	286	56 to 74	210	103	42	46	2,895	30	23	941,544	1,139,554	3	11	18	4,600
1861..	446	195		286	56 to 74	220	102	40	44	2,850	30	26	842,049	1,253,410	3	27	17	5,000
1862..	446	195		290	56 to 74	225	101	38	48	3,040	30	26	859,203	1,632,955	3	15	30	5,500
1863..	459	195		320	56 to 74	242	105	38	48	3,319	30	26	1,065,752	1,815,096	6	29	26	6,000
1864..	459	195		351	56 to 75	249	113	40	48	3,768	30	26	1,652,301	2,170,798	79	34	137	6,800
1865..	459	195		357	56 to 75	310	120	70	48	5,181	30	26	2,036,835	2,234,350	8	50	33	7,000
1866..	459	314		379	56 to 75	371	178	66	61	5,717	30	26	2,444,935	3,242,792	4	21	34	7,000
1867..	459	314		385	64	371	190	60	68	5,709	30	26	2,245,180	3,484,546	3	27	58	7,000
1868..	459	314		399	64 to 70	371	187	56	60	6,040	30	26	2,194,848	3,908,243	20	23	52	7,000
1869..	459	364½		413½	64 to 70	444	220	54	71	7,447	30-40	26	2,497,113	4,312,200	10	40	25	7,500
1870..	459	364½		449½	64 to 70	440	220	54	71	8,840	30-40	26	2,275,025	4,852,505	4	28	21	8,000
1871..	459	455		508	64 to 70	475	232	53	71	9,779	30-40	26	3,599,462	4,814,208	5	31	46	8,000
1872..	459	495		515	64 to 70	483	258	44	76	10,638	30-40	26	3,598,088	5,564,274	2	28	70	9,000
1873..	459	495		572	60 to 70	497	250	44	81	10,373	30-40	26	3,992,156	6,312,762	1	21	32	9,000
1874..	459	96½	40½	641	60 to 67	505	200	69	75	10,775	30-40	26-30	4,223,130	6,364,276	1	42	55	9,500
1875..	459	96½	389½	643	60 to 67	505	198	67	93	11,274	30-40	26-30	5,052,855	6,239,943	5	41	60	10,000
1876..	460	96½	390	660½	60 to 67	505	241	67	99	11,337	30-40	26-30	5,032,831	5,972,818	3	37	61	10,500
1877..	460½	96½	400½	669	63	505	237	67	97	11,238	30-40	26-30	4,887,238	6,182,451	3	28	57	10,000
1878..	460½	96½	384	676½	63	513	236	73	96	11,238	30-40	26-30	3,080,242	4,128,906	2	16	27	10,000
1879..	460½	96½	371½	759½	63	594	235	68	93	16,585	30-40	26-30	4,894,527	8,212,641	3	47	56	11,000
1880..	460	96½	371½	772	63 to 70	539	240	74	107	16,609	30-40	26-30	5,471,431	8,715,892	2	48	65	11,000
1881..	460	96½	379	791	60 to 70	545	230	78	102	23,020	30-40	26-30	6,144,158	11,086,821				11,000
1882..	460	96½	379	803	60 to 70	564	255	79	106	28,405	30-40	26-30	6,784,195	11,895,238	2	52	76	12,000
1883..	460	96½	472	854	60 to 70	585	272	130	158	37,068	30-40	26-30	6,034,724	11,610,673				14,000
1884..	460	96½	472	912	60 to 70	584	270	87	111	29,205	26-30	22-26	5,385,669	11,071,038				15,241
1885..	460	96½	472	987	60 to 70	554	268	86	112	29,950	32	25	5,890,757	10,253,498		27	65	15,053
1886..	460	106	472	1,013	60 to 70	460	275	86	100	28,820	35	25	6,261,118	12,806,918	3	53	70	15,212
1887..	460	102	470	1,019	56 to 66	485	285	80	129	29,716	35	25	6,865,003	13,949,260	6	80	90	16,355
1888..	460	102	452	1,067	60 to 74	427	259	90	119	30,292	35	25	8,543,684	15,174,009	6	74	96	16,384
1889..	446	102	486	1,072	60 to 74	515	253	103	135	30,243	35	25	10,107,306	15,084,132	3	59	102	16,500
1890..	459	102	486	1,091	60 to 80	555	241	113	171	31,383	35	25	11,074,480	16,269,656	5	44	71	16,845
1891..	459	104½	544	1,139½	60 to 80	374	244	113	174	30,353	35	25	11,677,902	17,339,140	2	47	77	16,962
1892..	459	104½	550½	1,158½	60 to 80	623	266	110	174	30,219	35	25	11,805,389	18,614,822		43	68	17,211
1893..	446½	104½	550½	1,187	.....	626	343	113	178	39,535	35	25	12,452,623	17,309,188	2	46	70	17,835
1894..	446½	108½	552	1,202	63 to 80	667	356	111	175	28,784	35	25	11,967,283	17,305,200	4	29	75	14,249
1895..	446½	108½	552	1,206½	63 to 90	666	356	111	180	28,972	35	25	11,521,997	12,028,530	1	19	67	14,158
1896..	446½	1,024	358	1,650½	60 to 90	668	356	111	180	28,847	35	25	5,692,801	10,935,779		15	58	21,261
1897..	446½	1,021	388½	1,675	60 to 90	918	434	152	230	49,557	35	25	14,462,478	19,443,898	2	27	92	10,992
1898..	446½	1,015	396	1,704½	60 to 90	903	448	136	236	42,541	35	25	14,793,426	22,547,528	2	32	124	21,063

From 1861 to and including 1873 the railroads or branches owned and leased were not separated in the reports.

Coal as fuel for locomotives instead of wood was first tried in 1857. From 1861 the locomotives were gradually changed to coal-burners, the last wood-burner disappearing during the time of President Watson, 1872-1874.

The first steel or steel capped rails were put down during 1869. They were made at Trenton. In the report for 1874 the weight of rails began to be stated as that of steel, and so continued, although as late as 1892 iron rails were reported, weighing 56 to 70 pounds to the yard.

In 1872 Pullman coaches began running on the road, the Erie Sleeping Car Company having provided such cars previously. Sleeping cars were running regularly on the road in 1866. Sleeping cars were introduced as an experiment on the road in 1843. (See page 398.) The dining cars on the Erie are owned and operated by the Erie Company.

The laying of the third rail, preparatory to reducing the 6-foot gauge to the standard, began in 1874, when 114 miles were put down. It was completed between Jersey City and Buffalo, so that narrow-gauge cars began running all the way through by December 29, 1878. The third rail was taken up in 1880, but in the report for 1883 an item of expense for the year is charged as "for narrow-gauging rolling stock."

The variation in the reported mileage of the main line between Jersey City and Dunkirk is due to changes made from time to time in the route. Some reports state main line Jersey City to Dunkirk; others, Piermont to Dunkirk, which is about 44½ miles. The Goshen Railroad Company was incorporated in 1837 to shorten the main line and save grade by building a railroad 2½ miles long over a different route between Goshen, N. Y., and New Hampton. Pending right of way 1898.

As early as 1849 Welles & Co. began the express transportation business over the Erie. They were succeeded by Rice & Peck. In 1857 the Erie established its own express company, which was purchased by the United States Express Company in 1861. In 1886 the Erie replaced the United States Company by a company of its own, the Erie Express, which was purchased by Wells, Fargo & Co. in 1888, and has since conducted this business, paying the railroad company 40 per cent. of the express earnings.

The Erie Despatch, Commercial Express, and Inter-State Despatch are independent freight lines running over the Erie, owning the cars in use. The passenger cars were originally lighted by whale-oil lamps. Then came sperm candles. Kerosene began to displace the candles in 1865, but they were in use as late as 1872. Gas-lighting of cars on the Erie began in 1881. Gas and oil are used. The cars were originally heated by wood in box stoves. Coal did not entirely displace wood until 1878. Erie cars are now heated by steam. (Speed of trains from 1886, in above table, estimated.)

Safety air-brakes were introduced on the Erie in 1869. The Guthrie vacuum brake. The block system was introduced in 1888.

Total mileage (1898): single track, 1,857.67; double track, sidings, and turnouts, 3,570½.

## BETWEEN THE OCEAN AND THE LAKES

TABLE SHOWING THE STOCK, BONDED AND FLOATING DEBTS OF THE COMPANY, THE COST OF THE RAILROAD, THE EARNINGS OF THE RAILROAD, AND ITS TRANSPORTATION EXPENSES, FOR EACH YEAR SINCE THE BEGINNING OF OPERATIONS, SEPTEMBER 23, 1841, UNTIL THE END OF THE FISCAL YEAR, JUNE 30, 1898, AS THEY APPEAR FROM THE OFFICIAL REPORTS OF THE COMPANY TO THE ENGINEER AND SURVEYOR AND THE BOARD OF RAILROAD COMMISSIONERS OF THE STATE OF NEW YORK. THIS TABLE IS INTENDED TO SHOW THE EARNING CAPACITY OF THE RAILROAD, AND THE EXPENSES CONNECTED WITH DEVELOPING THAT CAPACITY, WITHOUT REGARD TO COLLATERAL INCOME OR DISBURSEMENTS OF THE COMPANY.

YEAR.	*Capital Stock, as by Charter.	Bonded Debt.	Floating Debt.	*Total Cost of Railroad and Equipment.	GROSS EARNINGS.				EXPENSES OF TRANSPORTATION.				Net Earnings.
					Passenger.	Freight.	*Other Sources.	Total.	Maintenance of Way and Real Estate.	Repairs of Machinery.	Operating.	Total.	
	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1841..					15,165 44	14,523 99		29,689 43			No report.		
1842..		None.			34,848 00	43,677 00		78,525 00			46,793 00	46,793 00	31,732 00
1843..					35,000 00	60,735 00		95,735 00			52,520 00	52,520 00	43,215 00
1844..					46,178 00	79,842 00		126,020 00			66,045 00	66,045 00	59,975 00
1845..		3,000,000 00			44,175 35	82,169 66		126,345 01			70,217 74	70,217 74	56,128 00
1846..		3,000,000 00			64,754 73	120,761 75		185,516 48			123,173 97	123,173 97	62,343 00
1847..		3,000,000 00			100,990 74	153,138 68		254,119 08			172,970 68	172,970 68	81,149 00
1848..		3,000,000 00			125,722 32	185,190 93		310,913 25			195,508 17	195,508 17	115,405 08
1849..	5,778,811	5,839,918 00	2,481,647 41	16,430,868 00	363,209 06	425,078 12	21,855 54	810,140 62	61,640 44	64,030 53	273,676 12	399,347 06	410,796 53
1850..	5,801,286	9,856,568 00	2,475,864 64	20,823,581 00	573,150 83	564,445 15	1,529 03	1,139,125 61	127,146 13	55,813 64	440,788 29	623,748 06	515,377 55
1851..	5,912,290	14,503,868 00	2,957,376 31	24,282,858 20	1,186,034 21	1,091,388 11	4,246 33	2,281,668 65	149,524 13	230,592 16	846,095 06	1,226,212 25	1,055,456 40
1852..	7,766,991	18,003,868 00	1,323,053 55	27,551,205 00	1,883,198 76	1,883,198 76	271,930 90	3,537,764 53	260,267 26	376,564 74	1,130,458 02	1,805,340 28	1,734,424 25
1853..	10,000,000	20,173,808 00	2,685,026 49	31,222,834 00	1,601,209 71	2,537,214 52	10,538 13	4,138,962 36	471,469 19	1,349,635 91	2,378,207 59	3,958,549 77	3,958,549 77
1854..	10,023,958	22,601,000 00	2,525,969 85	33,439,432 00	1,743,379 72	3,369,590 05	24,694 01	5,359,958 68	602,786 81	566,582 14	1,474,239 37	2,637,606 94	2,722,351 74
1855..	10,023,958	24,851,000 00	1,051,540 03	33,742,317 11	1,698,670 15	3,653,301 70	137,321 46	5,488,993 37	584,083 93	1,708,449 09	2,680,372 92	2,808,665 39	2,808,665 39
1856..	10,000,000	24,891,000 00	991,078 91	33,938,254 00	1,656,674 66	4,554,721 86	146,593 63	6,349,990 15	641,588 89	631,179 59	1,887,629 22	3,160,397 70	3,189,592 45
1857..	11,000,000	24,891,000 00	1,932,482 42	34,033,680 16	1,495,360 06	4,097,610 12	149,635 43	5,742,605 51	938,103 73	882,086 30	2,086,128 26	3,606,888 29	3,606,888 29
1858..	11,000,000	26,438,016 00	732,257 86	34,058,632 63	1,182,258 27	3,843,310 77	126,047 39	5,151,616 43	1,135,564 25	890,274 10	1,569,228 95	3,595,067 30	3,595,067 30
1859..	11,000,000	25,260,000 00	353,703 33	35,320,907 19	1,554,083 53	3,105,869 57	132,196 22	4,882,149 32	1,049,187 05	609,650 87	1,384,331 05	3,043,168 97	3,043,168 97
1860..	11,000,000	26,351,000 00	2,725,620 43	35,774,171 97	1,180,957 55	3,884,343 54	115,020 61	5,180,321 70	1,024,837 16	718,114 73	1,476,743 07	3,219,656 56	3,219,656 56
1861..	See note.	See note.	See note.	35,796,901 91	1,136,045 73	4,343,464 35	103,406 52	5,590,916 60	1,049,298 48	808,638 14	1,646,534 96	3,504,471 58	3,504,471 58
1862..	19,973,200	19,831,500 00	480,665 00	39,985,202 03	1,096,196 60	6,642,914 68	124,861 40	7,863,972 68	1,367,783 90	1,063,022 06	2,034,808 23	4,465,614 19	4,465,614 19
1863..	19,973,200	20,093,200 00		39,328,660 82	1,670,088 58	8,432,234 47	143,800 18	10,246,117 23	1,830,579 56	1,427,043 02	2,446,748 27	5,704,370 85	5,704,370 85
1864..	24,228,800	17,822,900 00	None.	40,054,463 62	2,523,005 50	9,855,067 70	173,386 89	12,551,480 09	2,680,142 04	1,760,833 53	3,406,014 61	7,846,990 18	7,846,990 18
1865..	24,935,800	18,285,000 00	2,364,238 42	45,879,522 28	4,450,200 60	10,726,264 33	124,100 92	15,300,954 85	3,501,457 79	2,602,420 09	4,713,311 09	10,817,188 97	10,817,188 97
1866..	25,105,800	22,368,834 94	3,638,450 29	48,507,514 52	3,593,066 20	11,611,023 01	167,820 35	15,372,809 56	3,460,618 39	2,555,288 83	5,135,633 45	11,515,540 67	11,515,540 67
1867..	25,111,210	22,420,920 00	3,524,813 00	49,247,760 70	2,931,833 43	11,204,688 73	180,690 36	14,317,213 14	3,001,482 86	2,606,412 73	4,726,093 94	10,333,989 49	10,333,989 49
1868..	46,302,210	23,398,300 00	4,893,735 81	56,486,605 97	3,531,503 88	10,780,975 86	64,702 27	14,376,871 81	3,393,524 56	2,843,040 29	4,966,527 47	11,243,002 32	11,243,002 32
1869..	78,536,910	23,398,800 00	None re-ported.	65,131,959 01	4,043,408 82	12,583,793 73	94,657 10	16,721,500 34	4,248,273 36	3,182,634 97	5,828,359 18	13,256,296 61	13,256,296 61
1870..	86,536,910	23,398,800 00		73,945,587 02	3,968,809 82	11,983,547 06	227,014 78	17,919,461 66	3,680,693 64	2,601,691 05	5,781,626 20	12,073,010 89	12,073,010 89
1871..	86,536,910	26,398,800 00		106,904,362 22	3,972,064 70	12,861,999 74	33,940 72	16,868,005 16	3,432,043 46	2,354,644 97	6,411,502 73	12,199,066 12	12,199,066 12
1872..	86,536,910	26,398,800 00	2,517,301 26	108,807,687 26	3,329,344 84	12,589,745 47	532,795 49	18,378,895 16	3,686,864 30	2,294,662 06	6,612,978 19	12,594,504 64	12,594,504 64
1873..	86,536,910	37,917,142 70	2,714,193 51	111,630,092 26	3,651,554 18	15,015,845 85	1,345,244 48	20,012,666 51	3,717,333 78	2,562,359 08	7,360,499 46	13,640,642 32	13,640,642 32
1874..	86,536,910	45,576,814 00	2,522,203 34	115,075,000 87	3,795,574 06	13,740,042 44	1,153,282 26	16,876,868 76	3,485,662 20	2,799,102 30	7,278,923 82	13,563,738 32	13,563,738 32
1875..	86,536,910	54,271,814 00	1,421,641 81	115,955,046 63	3,461,304 31	12,287,399 55	1,128,154 44	16,876,858 60	3,321,370 57	2,446,863 53	6,090,896 85	12,679,130 95	12,679,130 95
1876..	86,536,910	54,271,814 00	1,159,600 00	117,140,287 47	4,227,626 45	11,429,929 70	994,904 99	15,852,461 14	2,630,486 45	2,664,456 87	6,936,258 46	12,231,201 78	12,231,201 78
1877..	86,536,910	54,271,814 00	1,887,216 11	117,445,120 54	3,220,088 88	10,687,908 38	840,996 32	14,768,883 92	2,295,529 46	1,981,059 67	6,623,250 77	10,016,839 60	10,016,839 60
1878..	86,536,910	54,271,814 00	669,705 77	117,633,790 09	1,900,045 50	8,087,075 50	465,175 96	14,452,290 87	1,505,502 48	1,324,262 94	4,553,342 57	7,363,114 90	7,363,114 90
1879..	86,536,910	See note.		574,122 26	1,170,075 52	3,727,414 31	195,191 39	5,192,681 22	722,790 48	530,680 91	2,019,268 38	7,272,748 77	7,272,748 77
1880..	86,536,910	66,678,501 70	482,763 51	3,325,369 27	3,118,043 16	12,233,460 90	899,597 84	15,942,022 58	2,280,215 67	1,784,304 17	7,101,179 11	11,174,668 95	11,174,668 95
1881..	86,536,910	67,173,744 85		5,344,575 32	3,682,051 18	14,301,115 33	1,379,697 37	19,453,763 88	2,187,063 54	1,906,425 90	7,549,535 54	11,643,929 35	11,643,929 35
1882..	86,536,910	67,165,665 95		7,213,114 12	4,041,267 01	15,979,576 61	1,539,067 50	21,559,911 14	2,263,552 94	2,207,680 14	8,784,687 98	13,256,230 06	13,256,230 06
1883..	86,536,910	70,269,137 65		8,818,360 71	3,384,590 78	14,622,128 38	969,235 45	19,995,873 61	2,231,877 58	2,160,119 90	8,696,006 26	13,688,033 74	13,688,033 74
1884..	86,536,910	75,267,136 90		9,552,794 93	4,632,220 27	17,213,621 15	1,588,360 48	22,802,244 48	2,967,610 86	2,733,244 73	9,743,721 53	15,444,583 12	15,444,583 12
1885..	86,536,910	75,268,435 10		11,592,180 64	4,675,871 14	15,773,004 60	1,188,560 34	21,637,436 08	2,058,555 79	1,899,657 22	8,111,124 75	16,358,077 74	16,358,077 74
1886..	86,536,910	78,550,865 10		12,722,610 64	3,106,707 61	15,704,625 00	989,123 48	15,490,456 09	3,495,000 41	1,313,702 60	5,602,440 15	13,687,329 29	13,687,329 29
1887..	86,536,910	78,550,865 10		12,761,536 52	3,443,771 81	13,808,180 00	1,058,543 34	22,500,947 34	2,365,550 34	2,343,228 63	7,296,284 86	16,008,594 66	16,008,594 66
1888..	86,536,910	78,550,865 10		15,386,099 42	3,706,164 59	15,203,285 68	1,492,242 30	19,327,632 77	2,444,648 70	2,393,271 07	8,188,158 75	17,022,465 55	17,022,465 55
1889..	86,536,910	77,597,245 10	See note.	14,772,494 27	3,893,390 87	15,821,210 41	1,210,422 13	27,017,089 75	2,081,916 96	2,827,206 56	8,188,158 75	17,620,257 36	17,620,257 36
1890..	86,536,910	77,597,245 10		160,862,500 74	3,894,050 81	15,875,347 75	843,783 77	27,004,406 01	2,058,543 79	2,883,902 28	7,878,310 85	17,453,385 02	17,453,385 02
1891..	86,536,910	77,756,205 10		161,145,922 43	5,443,598 16	12,454,729 42	1,141,499 50</						

TABLE SHOWING THE PRICE OF ERIE COMMON STOCK IN WALL STREET EACH YEAR FROM 1848, LOWEST AND HIGHEST QUOTATIONS EACH MONTH, AND LOWEST AND HIGHEST PRICE FOR EACH YEAR.

YEAR.	JANUARY.		FEBRUARY.		MARCH.		APRIL.		MAY.		JUNE.		JULY.		AUGUST.		SEPTEMBER.		OCTOBER.		NOVEMBER.		DECEMBER.		FOR THE YEAR.		
	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	
1848..	74	79	72	77	69	76	67	70	67	70	68	73	61	68	61	67	61	65	58	61	58	62	60	64	58	79	
1849..	61	62	60	62	58	62	57	62	60	62	60	64	59	61	59	61	60	61	59	61	60	62	58	62	57	62	
1850..	56	59	56	63	63	67	67	74	74	81	73	80	73	78	74	77	72	80	75	78	78	79	77	90	56	90	
1851..	80	93	78	84	70	82	81	91	83	90	81	85	71	86	69	76	71	80	73	85	81	89	79	89	71	93	
1852..	76	83	77	79	80	86	86	90	86	89	87	89	86	87	87	89	89	91	91	91	95	93	97	76	97		
1853..	90	94	86	92	82	88	84	92	87	91	79	88	76	80	68	78	76	86	68	80	73	83	76	82	63	92	
1854..	75	80	77	82	75	82	68	75	68	71	61	70	45	63	34	49	49	43	46	31	44	38	39	29	80	80	
1855..	38	47	44	47	45	50	48	53	47	50	48	54	50	53	51	54	50	57	49	56	40	54	44	52	38	57	
1856..	50	53	51	50	50	58	56	57	56	56	56	58	62	64	56	61	58	62	60	62	57	61	60	61	50	62	
1857..	61	63	52	61	53	58	52	52	33	42	30	39	27	35	25	34	17	21	17	13	12	17	16	17	12	63	
1858..	20	21	22	37	25	34	21	25	21	25	16	20	17	18	16	17	18	18	14	15	15	17	17	17	14	37	
1859..	14	15	13	14	13	14	12	13	11	13	10	11	9	9	9	9	8	8	8	8	7	8	8	9	7	15	
1860..	8	9	8	9	8	9	8	10	18	16	23	17	21	18	23	23	31	26	43	27	43	26	34	24	39	8	43
1861..	34	40	30	36	30	35	17	32	10	23	21	23	22	29	24	26	24	26	25	34	29	35	24	33	17	40	
1862..	31	36	33	35	34	38	36	37	35	40	35	39	33	37	33	39	30	49	49	59	61	59	61	60	31	65	
1863..	66	85	70	80	74	80	76	84	84	105	90	98	92	103	103	122	101	118	106	110	90	110	104	109	66	122	
1864..	105	113	107	124	113	126	107	120	107	117	110	118	108	116	108	113	93	109	86	98	93	104	82	96	82	126	
1865..	66	85	60	77	45	72	51	86	70	80	71	78	78	95	79	92	86	91	88	91	91	94	92	97	45	67	
1866..	80	93	70	85	74	87	71	79	55	75	57	65	62	77	66	74	68	80	81	95	70	86	65	74	55	85	
1867..	52	58	55	61	52	61	53	64	58	65	58	67	65	77	66	78	59	71	63	76	65	72	71	74	52	77	
1868..	71	78	67	71	65	81	65	75	68	72	68	71	67	71	45	68	46	52	39	49	35	54	37	41	35	78	
1869..	38	40	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	27	42	29	34	27	30	21	27	27	40	
1870..	22	25	24	28	24	26	23	25	23	24	21	25	20	23	21	24	22	23	22	23	22	25	22	24	20	25	
1871..	21	23	21	23	18	22	20	22	22	23	26	31	27	29	28	31	29	35	26	32	28	31	30	35	20	35	
1872..	30	38	30	33	22	27	60	72	62	73	50	66	50	59	44	52	47	54	47	55	48	57	51	62	30	75	
1873..	58	66	63	60	62	66	59	65	61	64	58	65	58	62	58	62	50	57	44	53	35	47	42	47	42	60	
1874..	46	51	46	50	37	40	34	40	34	36	26	34	30	33	31	34	33	38	27	36	26	29	26	29	26	51	
1875..	28	30	26	29	26	35	28	32	16	30	12	13	13	13	13	14	16	15	20	14	18	14	18	15	17	12	35
1876..	15	18	16	18	17	22	13	20	13	15	13	15	13	14	8	14	9	10	9	12	9	11	7	10	9	23	
1877..	9	10	7	9	5	8	4	7	6	7	5	6	6	6	8	12	10	13	11	15	8	12	7	10	5	13	
1878..	9	10	9	9	9	11	10	13	11	15	14	17	15	18	14	18	12	14	10	14	14	14	14	17	19	7	18
1879..	21	27	24	27	23	25	24	27	26	29	26	28	27	28	23	28	23	34	32	43	32	49	37	44	21	49	
1880..	41	48	43	47	43	47	41	46	39	43	30	43	38	44	37	44	41	48	45	42	49	43	49	43	30	51	
1881..	47	52	43	50	45	49	44	48	47	51	44	50	41	47	41	44	42	48	41	45	44	48	35	46	41	52	
1882..	38	43	35	40	34	38	34	37	34	36	33	37	35	41	38	41	39	43	39	43	34	40	34	40	34	43	
1883..	37	40	34	39	30	38	36	39	33	37	35	38	34	37	28	34	29	32	27	31	27	30	26	31	27	40	
1884..	24	28	24	27	20	26	17	22	13	19	11	16	12	17	15	19	12	16	12	15	12	15	13	15	12	26	
1885..	12	14	11	14	12	14	11	13	9	12	6	10	9	15	15	18	14	17	16	23	21	27	22	26	9	27	
1886..	23	27	24	28	23	28	23	26	22	26	20	26	29	28	33	30	34	31	37	34	35	31	31	38	23	38	
1887..	30	34	29	34	33	34	33	35	33	35	30	34	28	32	27	37	27	32	24	29	26	31	27	30	27	35	
1888..	27	29	25	27	22	25	27	23	23	28	22	24	24	27	26	28	28	30	28	30	25	29	24	28	24	30	
1889..	26	29	28	30	26	30	27	29	27	29	26	28	25	27	26	28	28	30	28	30	27	29	25	28	25	30	
1890..	26	27	25	27	23	26	23	28	27	29	25	29	25	26	24	26	24	26	28	24	16	21	17	20	10	28	
1891..	19	21	19	20	17	19	18	22	19	22	18	20	17	19	17	20	25	31	28	31	26	30	29	34	17	34	
1892..	29	34	29	34	29	33	27	32	27	31	25	29	25	28	26	29	24	26	24	27	24	27	23	25	23	34	
1893..	23	26	20	25	19	22	16	22	17	20	15	18	17	17	10	15	12	16	13	16	13	15	13	16	10	26	
1894..	13	15	15	16	10	18	15	18	12	16	11	14	13	14	12	16	14	16	12	13	10	16	11	12	9	18	
1895..	9	10	8	10	7	10	9	12	10	15	9	11	9	10	8	10	8	11	11	13	9	13	9	9	7	15	
1896..	13	16	16	17	14	18	14	15	14	14	13	15	13	15	10	12	12	14	13	15	15	17	14	15	12	17	
1897..	14	15	14	15	12	14	11	13	11	12	12	12	12	15	16	18	16	19	14	17	13	16	14	15	14	18	
1898..	14	15	13	16	11	14	11	12	12	13	13	14	13	13	13	14	13	14	11	13	12	14	13	14	11	14	

Erie stock enjoyed barely a fictitious value until 1846, after the first reorganization of the Company, as there was no visible prospect of the Company being able to finish the railroad, and the future of an enterprise which was to cost more than twice the amount of its authorized capital was not a tempting one for investors. The stock advanced rapidly in quoted value, however, as the work of constructing the railroad proceeded westward, and when it became known that the Company intended to begin the payment of 6 per cent. interest on the stock then outstanding, in 1848, Erie shares began to rise rapidly in the market. It may be said that the regular dealing in Erie began in 1848, and regular daily quotations were first reported in that year.

NOTE TO 1869.—November 30, 1868, the Regular Board and the Open Board of Brokers each passed a resolution declaring that after January 31, 1869, it would not call or deal in any stock a registry of which was not kept by its company in some responsible bank or trust company or agency, with public notice of number of shares thus entered for registry, and of any intended increase in the number and of the object for the issue. This action was brought about by the secret issue of a large amount of stock in the summer and fall of 1868, by which the market was ruinously demoralized (see Chapter XVI., pages 161-172). The Erie refused to abide by the resolution, and its stock, both preferred and common, was excluded from the Exchange from January 31, 1869, until September, which will explain the absence of quotations during that time.

(For an account of some early transactions in and manipulation of Erie stock, see pages 318-320.)

## BETWEEN THE OCEAN AND THE LAKES

TABLE SHOWING THE MARKET PRICE OF ERIE PREFERRED STOCK FROM JUNE, 1861, WHEN ITS QUOTATIONS BEGAN, UNTIL THE END OF THE YEAR 1898.

YEAR.	JANUARY.		FEBRUARY.		MARCH.		APRIL.		MAY.		JUNE.		JULY.		AUGUST.		SEPTEMB'R.		OCTOBER.		NOVEMBER.		DECEMBER.		FOR THE YEAR.		
	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	
1861.	47	58	55	59	57	62	60	62	62	67	43	43	40	43	42	49	46	48	45	53	53	61	46	55	42	61	
1862.	47	58	55	59	57	62	60	62	62	67	43	43	40	43	42	49	46	48	45	53	53	61	46	55	42	61	
1863.	97	108	99	103	95	101	96	103	102	111	109	106	102	105	102	111	102	108	104	93	100	92	93	97	97	97	
1864.	101	104	101	109	105	115	107	116	106	109	108	113	107	115	109	112	101	109	104	105	100	103	103	95	111	116	
1865.	90	100	90	93	70	90	74	92	77	90	81	85	85	88	80	87	82	87	82	86	82	84	85	86	70	100	
1866.	81	86	80	82	80	81	79	80	74	80	72	76	72	78	72	79	74	76	75	80	76	80	86	86	72	86	
1867.	69	79	70	75	69	73	69	72	71	73	72	75	72	78	76	79	74	76	75	80	76	80	86	86	72	86	
1868.	72	83	75	83	74	80	69	75	74	77	75	76	75	76	68	73	68	70	65	71	59	65	60	95	59	95	
1869.	61	64	...	...	...	...	...	...	...	...	...	...	...	...	...	57	71	54	59	42	53	39	46	42	42	64	
1870.	37	43	40	45	42	52	47	50	46	50	45	46	44	44	45	47	46	48	45	49	47	48	47	48	37	51	
1871.	46	47	44	46	44	46	45	46	47	57	55	57	57	58	60	60	65	60	66	61	70	64	69	44	70		
1872.	64	67	62	62	60	83	79	84	82	87	78	84	73	80	68	74	69	71	70	74	71	74	73	79	60	84	
1873.	77	80	78	82	74	79	73	72	74	73	73	74	72	73	72	73	66	73	64	70	56	71	71	56	75		
1874.	75	75	72	74	64	70	56	65	61	61	55	55	47	47	48	33	38	27	36	26	29	26	29	26	74		
1875.	51	53	...	...	42	50	42	44	25	41	20	24	...	...	28	28	32	40	35	36	...	30	32	20	53		
1876.	30	35	31	35	35	39	...	...	...	...	20	20	21	21	20	23	...	...	20	20	16	16	17	16	39		
1877.	26	30	20	26	20	23	17	22	21	26	22	28	28	33	23	29	26	31	20	30	27	31	21	28	17	33	
1878.	22	22	22	22	21	24	23	27	26	32	30	33	30	35	29	34	28	28	28	22	31	32	29	33	22	35	
1879.	37	51	43	50	42	46	45	49	48	54	49	52	52	53	44	53	45	60	56	67	60	78	65	72	42	78	
1880.	67	73	70	73	68	72	63	70	47	65	47	70	64	72	65	73	66	71	70	76	72	82	77	93	47	93	
1881.	88	95	82	92	84	90	84	89	88	92	86	91	80	88	81	88	82	91	84	88	88	96	89	94	82	96	
1882.	79	85	73	80	67	77	71	78	72	74	69	75	73	81	77	81	80	87	83	87	80	85	82	88	67	88	
1883.	79	83	78	80	...	...	80	81	78	79	79	81	76	80	72	76	75	78	72	77	72	78	77	78	72	81	
1884.	66	70	68	70	57	71	47	58	32	50	20	34	25	34	33	39	25	34	20	30	25	32	27	35	20	68	
1885.	23	30	20	24	29	21	23	19	23	18	22	22	31	31	39	34	38	37	46	44	57	46	54	18	54		
1886.	50	58	51	63	57	64	54	61	52	60	59	65	65	68	78	72	78	73	81	75	76	70	78	50	78		
1887.	65	73	65	74	70	73	72	74	72	76	68	74	66	71	64	71	61	70	59	67	62	68	63	67	59	74	
1888.	61	65	57	62	53	58	53	60	54	61	52	56	55	62	61	65	65	67	64	67	60	66	59	63	52	67	
1889.	61	66	66	70	66	70	67	71	68	71	67	70	62	67	62	69	68	74	68	70	65	67	62	67	61	71	
1890.	60	65	60	64	59	63	60	67	65	69	...	...	65	66	64	65	60	65	55	65	47	51	46	51	46	69	
1891.	48	52	51	54	50	52	51	56	49	55	47	53	48	50	49	64	62	72	66	71	64	70	69	77	47	77	
1892.	70	75	71	76	73	77	71	75	65	73	63	67	62	68	64	69	61	63	61	64	56	63	53	56	53	77	
1893.	53	58	47	56	43	49	46	49	36	42	33	38	15	34	21	29	26	34	29	32	28	31	23	24	23	39	
1894.	29	33	32	38	37	39	33	35	25	31	27	29	27	29	20	26	31	29	31	26	28	31	23	24	23	39	
1895.	20	23	16	21	16	20	21	25	25	30	22	32	23	23	21	27	20	26	24	26	20	23	20	23	16	32	
1896.	...	...	...	...	37	41	38	41	35	39	33	38	27	34	28	28	27	31	31	34	33	38	33	36	27	41	
1897.	33	35	33	35	27	34	27	29	29	31	31	34	33	35	37	43	40	40	35	42	33	37	35	39	27	46	
1898.	37	39	38	43	31	39	29	34	33	36	35	37	33	36	35	39	35	38	31	35	31	37	35	39	31	39	
1899.	...	...	...	...	22	25	21	24	20	21	19	21	17	20	13	16	17	18	18	19	20	23	20	20	13	25	
1897.	25	21	19	19	18	19	17	17	15	15	18	20	19	20	20	20	25	21	25	19	23	18	20	19	20	15	25
1898.	18	20	18	21	16	18	15	16	16	19	17	19	17	17	18	20	25	21	25	19	23	18	20	19	20	15	21

The original preferred stock of the Erie Railway Company was \$8,831,500, and was the result of the reorganization in 1861 (see Chapter XIII.). From March, 1896, the above figures represent the quotations of the first and second preferred stock, the three last rows of figures being the quotations of the second preferred. These two classes of stock were the result of the reorganization in 1895 (see Chapter XX., page 279). Where there are blanks in the columns no quotations were reported.

## FAMOUS CHARACTERS IN ERIE.

1854-1868.

DANIEL DREW was born at Carmel, Putnam County, N. Y., July 29, 1797, the son of a poor farmer. At the age of fifteen he went as a substitute for a man who had been drafted in the army for the War of 1812. He served his time in the



DANIEL DREW.

army, and became a drover when he returned home. He was so successful that, in 1829, he established himself as a wholesale dealer in cattle in New York, with headquarters at the old Bull's Head Tavern, which stood on the corner of Twenty-ninth Street and Third Avenue. His transactions were vast. One of them was the purchase of 2,000 head of cattle in Ohio and Kentucky, uniting them in one great

drove, and having them driven to New York. They were the first cattle ever driven eastward across the Alleghany Mountains. They were two months on the way. Daniel Drew soon became the leading cattle dealer in the country, and the large sums of money he made enabled him to rapidly increase them by acting as banker for other drovers who needed capital. In 1834 Daniel Drew became interested in steamboats on the Hudson River. By 1836 he had established such a strong opposition to the old-established line to Albany, that the old company was compelled to divide its business with him. In 1839 he established the famous People's Line, and in 1845 placed on the river two steamboats that were in that day looked upon as floating palaces—the "Isaac Newton" and the "New World." They were 300 feet long and had 500 sleeping-berths. Later he added the "Daniel Drew," the "Dean Richmond," and the "St. John." Commodore Vanderbilt, in 1850, joined Mr. Drew, and they purchased the Boston and Stonington Railroad, and put the steamboats "Commodore" and "C. Vanderbilt" on Long Island Sound, to run in connection with it from New York.

It was about this time that Daniel Drew began to be felt as a power in Wall Street, which he had entered by establishing a brokerage house in which Nelson Robinson and R. W. Kelley, Drew's son-in-law, were partners. He subsequently took in as his partner E. D. Stanton, a confidential clerk of his, but retired from the firm a few years later, after which all his transactions were conducted by brokers. In 1854 Daniel Drew became prominently interested in the Erie as a director. He was elected treasurer. He and Commodore Vanderbilt worked together in their speculations for years. In 1857 Drew resigned as treasurer of Erie, but continued a power in its affairs. In 1863 he became acquainted with James Fisk, Jr., who had just come to New York from Boston, to try his luck in Wall Street. Drew was anxious to dispose of his Stonington line of steamers, and Fisk undertook their sale. He negotiated a sale that was so favorable to Drew that the latter became Fisk's backer in establishing the house of Fisk & Beiden, brokers, and in 1867, having in the meantime also become impressed with the capacity of Jay Gould, who was also doing business as a broker in Wall Street, Drew made both Fisk and Gould members of the Board of Directors of the Erie, at the annual election. The result of this was unfortunate for Daniel Drew, for it was the beginning of his decline and downfall as a Wall Street dictator, and the con-

sequent loss of the great fortune he had accumulated. ("Administration of John S. Eldridge," pages 147-160; "Administration of Jay Gould," pages 161-167; "Administration of Peter H. Watson," pages 209-213.)

Daniel Drew retired from Wall Street in March, 1875, after heavy losses. It was believed, however, that he was still many times a millionaire, but March 11th, following, he filed an application in involuntary bankruptcy. His liabilities were sworn at \$1,093,524.82, to meet which he had assets of only \$746,459.46, so that the once king of Wall Street, and flayer of Vanderbilt in many bouts, was nearly \$350,000 worse off than nothing. He died a pensioner on his family, although he had never given up the thought that he would yet repair his lost fortune and reestablish his name among financiers.

Daniel Drew joined the Methodist Church early in life, and was conspicuous for his outward expressions of piety. He erected a \$20,000 church in his native village, and gave \$50,000 to the New York church of which he was a member. He endowed what was intended to be a great theological seminary at Morristown, N. J., and a Wesleyan University at Middletown, Conn., and took great pride in them; but the expectations from Mr. Drew were in notes, in one case for \$250,000, and in the other for \$100,000. These became of no value after his failure. Daniel Drew made millions out of his speculations in Erie stock, while a director and nominally controller of its management, and many of the subsequent ills of Erie were sequences of his operations and plans.

Daniel Drew was buried in the family burying ground at Carmel, Tuesday, September 23, 1879.

1867-1872.

JAMES FISK, JR.—At the age of five years, James Fisk, Jr., who was born among the hills of Vermont, near Brattleboro, was placed by his father to be reared by a neighboring farmer. The farmer was kind and sent him to the district school. One day the teacher whipped him for some boyish prank. The farmer thereupon would not let him return to school, he was so indignant, and so at the age of ten the boy could scarcely read or write. There is much of vagueness about the records of Fisk's early life. It is said that he passed some years of it as an attaché of Van Amburgh's circus, rising from "super" to ticket seller. It is certain, however, that as a young man he was a travelling salesman, or peddler, making the rounds of New England and Eastern New York towns with his wagon, and doing a prosperous business. The *Fishkill Journal*, of December 12, 1869, contains this item: "The old registry books of the Union Hotel, in this village, contain the names of the Erie Railroad magnate, James Fisk, Jr., and his father, who, while engaged in peddling silks and other fine drygoods, stopped here no longer ago than in 1858. Mr. H. F. Walcott, who kept the hotel, remembers well the advent of Fisk into the place with a caravan of several fine wagons, drawn by about twenty horses. Some eight or ten salesmen were included in this splendid itinerant mercantile establishment. They staid here

several days, making the hotel their headquarters, in the meantime sending out among the surrounding villages their wagons and salesmen, like raiding or foraging parties from an encampment. Everything was done in the most business-like manner, the salesmen making their returns regularly at the counting-room, which was held in the hotel."

It is among the traditions of New England to-day that of all the peddlers who ever perambulated that land of notions, this particular youth was the most brilliant, the wittiest and most humorous, the most unscrupulous, and the most successful, and that it was his fashion to astound the unsophisticated folk of that division of the country by the splendor of his four-in-hand, the lustre of his bright red van, and the beauty of the lady who accompanied him, seated high in air, upon the box of his magnificent vehicle. His father had founded the business in which he thus won his first laurels. An old resident of Connecticut, recalling some of the earlier days of Fisk's career as a peddler, says that one day a customer took him to ado, saying that Fisk had misrepresented the price of certain goods, whereby the customer had paid a shilling more than was right.

"What!" said Fisk. "Do you think I would tell a lie for a shilling? Ridiculous! I might tell eight lies for a dollar, but one lie for a shilling! Pooh! That would be petty larceny!"

About the time of the breaking out of the Civil War Fisk became connected with the large drygoods house of Jordan, Marsh & Co., of Boston, as a junior partner. Having broader aspirations, he disposed of his interest in that establishment and went to New York, where he entered Wall Street. The tradition is that he was quickly relieved of the \$50,000 or \$60,000 with which he began his career as a financial speculator, and was in straits, when, in 1863, he fell in with Daniel Drew. Drew had an unprofitable line of steamboats on his hands—the Stonington line—and wanted to get rid of it without too much of a sacrifice. Fisk found a purchaser, and negotiated the sale so skillfully that Drew was more than pleased. He became Fisk's backer, established him as the senior partner of the Wall Street firm of Fisk & Belden, and in 1867 brought him, with Gould, into the Erie directory, and the career of Fisk as the most spectacular and audacious figure in the public life of the time began. (Administrations of John S. Eldridge and Jay Gould.)

When Fisk had found himself "broke" by Wall Street, he had declared, "Wall Street ruined me; Wall Street shall pay for it!" As head of the house of Fisk & Belden he at once set to work to keep his vow, and the result proved that he did so with a vengeance, as witness the gold corner of 1869, and many other corners from which he managed to escape, if not entirely unscathed, yet leaving the Street clamorous with the cries of plucked and ruined victims. When the Erie management fled to Jersey City in March, 1868, Fisk was asked how he thought the matter would end.

"Can't tell just yet," he replied, "but it'll either be inside of marble halls in New York or stone walls in Sing Sing."

Knowing the value of notoriety to one whose public character was always tinged by a certain degree of charlatanism, Fisk did much to keep himself in the public eye. His stout figure, his attractive, if not handsome, face, his elaborate costume, his enormous diamonds, his carefully waxed moustaches, his high-stepping horses, his coachmen in glittering livery, his showy drags and dog-carts, were familiar sights in New York thirty years ago. He lavished Erie's money on the fitting up and decoration of the Grand Opera House in New York, and made it a meritorious place of amusement. Its inner history can never be written, but many were the strange and bizarre scenes enacted within the privacy of its splendid apartments. No drama ever represented on its boards approached the unspeakable realities of its off-the-stage life. It was his lavish display and expenditure in this and other ways that gave Fisk the title of Prince of Erie. Besides managing the Opera House, Fisk was also the manager, at the time he was one of Erie's dictators, of the old Fifth Avenue Theatre, and concerned in other places of amusement.

Speculation in gold was then one of the diversions of Wall Street. Gould and Fisk, aided by Erie funds, and abetted by high officers of the Government, so planned that in September, 1869, gold—specie payments not yet having been resumed after the war—was locked up to such an extent by their manoeuvres that the price of it ran to 160 on September 24th.

When that great premium was reached, men were crazed and men were ruined. That day has passed into history as Black Friday. While many were ruined, none made money from the bold and gigantic scheme. The Government ordered the release of the gold in its treasury, the holding of which was part of the understanding between the manipulators and the agents of the Government who were indirectly abetting the scheme. But the awful result of further holding the gold appalled them, and an order came from Washington to open the treasury vaults. Thus the corner in gold was broken, and the tide turned against Fisk and his associates. All Wall Street rushed upon them, but they escaped, and not one dollar of their loans was ever paid by them. This was accomplished by Fisk's partner, Broker Belden—through whom the plans had been engineered—denying, in all suits that were brought to compel an accounting, that there had been any such transaction authorized by Fisk or Gould. It was in his testimony before the Congressional Committee appointed to investigate the gold corner that Fisk made his famous reply to a question, a reply that became the catch phrase of the day, and is still a pat expression on occasion. Fisk was asked what had become of all the money that was involved in that gigantic transaction. "It has gone," said Fisk, "where the woodbine twineth."

There never was another just such character as James Fisk, Jr. He had no moral sense, so far as he cared for the public estimation of him. Privately, few men did more to help the cause of works that had for their purpose the advancement of morality. He posed as the personification of social uncon-

ventionality. He maintained a shameless wanton in luxuriousness, and boasted of it. He habitually exhibited himself publicly in showy and vulgar garb, driven about in gorgeous equipages. He shocked the country by the enormity and number of his transgressions against propriety. He housed gay women in splendid apartments, furnished and decorated to their desire. He was known as the one great prince of all that went to make of life an incessant round of ribald pleasure, and yet he himself lived in two small second-story rooms, in a modest and ordinarily-furnished house, wherein he maintained his aged father and mother, casting aside entirely the mockery and hypocrisy of his public life to become the loving, doting, considerate son. To Daniel Drew he owed the circumstance of his beginning the career that made him powerful and famous. Later, when one word of his would have saved Daniel Drew from misery, shame, and loss, he refused to say the word, although Drew begged on his knees for it. A man to whom he had refused to give a place in the Company's employ—the man being an entire stranger to him—threatened his life, and annoyed him at every opportunity. The man died. Fisk sent his widow a check for \$200, and free transportation for herself and three children to Chicago, where her parents lived. Every scheme that was planned for getting money out of Erie in the years he was in the management had Fisk in it as an active factor to its success, and he had the handling of millions of the money. Not a dollar of it clung to his estate, and he left his widow poor so far as his connection with Erie went. When the unspeakable catastrophe of fire swept Chicago in 1871, and left hundreds homeless, penniless, and suffering for the common necessities of life, James Fisk, Jr., was the first to hasten to their aid by dispatching a special train, laden with needed supplies, to speed which on its way all regular traffic on the Erie was held aside until this great messenger of mercy might pass on its flight toward its destination. He was entirely a man of contraries. He knew no fear, he stopped at no obstacle; he defied law, he scouted public opinion. The more he was adversely criticised the better he was pleased. He lived on notoriety. The gorgeous trappings of a colonel of militia swelled him as with the pride of a conquering hero, and radiant in his uniform as "admiral" of a line of local steamboats, he seemed to feel that Farragut in the smoke of battle was an insignificant figure compared with him. His intrigues he delighted in having made public in minutest detail. The fact that half a score or more of needy families, and hosts of unfortunate men and women, were pensioners on his unstinted bounty, he would have cut his hand off rather than to have made known. He was the idol of the Company's employees, particularly along the line of the railroad, yet he did not hesitate, one time during a strike of brakemen, to dispatch to the scene a gang of New York toughs, led by "Tommy" Lynch, with orders to shoot down any striker who offered any resistance to the gang—an order that filled the men with utmost indignation. On the heels of it came Fisk himself, and his very appearance was greeted with shouts and hearty cheers and expres-

sions of delight from the very men he had ordered shot—such was the magnetism, the personal power, of this inexplicable man. He so dominated Erie affairs in the public mind that his name invariably was mentioned first in the combination. It was always "Fisk and Gould," never "Gould and Fisk." Yet Fisk was not the planner. He was but the executor of the plans, and the work laid out for him to do he did without fear, favor, or affection.

Fisk was murdered, premeditatedly and deliberately, and in a cowardly manner. When Frank Lawler, of California, divorced his wife Josephine for cause, she took up her residence at New York, where she became known as Josie Mansfield. Having failed as an actress, she, at her own solicitation, was introduced to Fisk. He became her "protector." He fitted up for her in most luxurious style one of his houses in West Twenty-third Street, and installed her there. He gave her points and information on which she made money in Wall Street. She became deep in the secrets of Erie, and her house was the place where the details of more than one Erie scheme were planned. Then the Mansfield met Edward S. Stokes, a young, handsome, socially-superior man, and married. The woman broke with Fisk. This was not the direct cause of the tragedy that followed, but it was an impelling cause toward it.

Stokes's mother owned an extensive oil refinery on Long Island. It was managed and controlled by the son. At the suggestion of Fisk, a stock company was formed, and he and friends of his became financially interested in it. Stokes was made secretary of the company. One day he withdrew \$250,000 from the treasury, and announced that he intended to retain it, because "the treasurer had done the same." Stokes was arrested at the suit of the company, and lodged in jail on a charge of embezzlement. He was discharged at the hearing next day by Justice Dowling, who decided that the oil company was not legally organized, and was simply a common partnership, from which any member of it had a right to draw funds. Stokes sued Fisk to recover damages on a charge of malicious prosecution, but the matter was compromised by Fisk buying out the Stokes interest in the refinery. In all the proceedings in court the Mansfield woman was a witness against Fisk, her testimony tending to show that Fisk had planned the ruin of Stokes. The trouble over the refinery transaction was revived again by Stokes renewing his suit against Fisk for malicious prosecution, claiming that it had not been satisfactorily settled. This, and all other matters in dispute between Fisk and Stokes, were referred to Clarence A. Seward. He decided that Stokes had no claim on Fisk except in the matter of the imprisonment of Stokes in the embezzlement proceedings, and for that Referee Seward awarded Stokes \$10,000. He took the money, and signed a release. He subsequently brought suit to reopen the matter and to have the release set aside, on the ground of fraud on the part of Fisk. In this suit strenuous efforts were made by Stokes to have letters and telegrams from Fisk to Josie Mansfield introduced as evidence. These letters were of a nature that would have

compromised many people and revealed important Erie secrets, besides making public many of Fisk's personal affairs that he did not care to have paraded. The letters were not admitted, and the suit was decided against Stokes. While these proceedings were pending, Fisk had Stokes arrested on a charge of blackmail.

The decision adverse to Stokes in his case against Fisk was rendered on Saturday, January 6, 1872. After the proceedings in the case terminated, a number of the lawyers concerned in it went to Delmonico's, then on the northwest corner of Broadway and Chambers Street. Stokes also went there to lunch, and joined them. While they were eating, Judge Barnard came in. During a conversation that ensued, involving matters concerned in the Fisk-Stokes litigation, Judge Barnard remarked that the Grand Jury had found an indictment against Stokes on Fisk's charge of blackmail. Without a word Stokes rose hurriedly and left the restaurant. Later in the afternoon he was seen at the Grand Central Hotel by acquaintances, lounging about and chatting. Fisk had an engagement at that hotel that afternoon, and he drove up about a quarter past four o'clock. He went in at the ladies' entrance, and was on his way upstairs, when he was confronted by Stokes, who was at the head of the stairs. Stokes drew a revolver and fired twice at Fisk. The first shot missed. The second bullet entered Fisk's abdomen. Fisk retreated down-stairs, but turned again, when Stokes fired a third time, this bullet striking Fisk in the arm. Fisk fell. The reports of the pistol had collected a crowd, which rushed on the scene from different parts of the hotel, and Fisk was carried upstairs and placed in a private reception-room, No. 251. Dr. Fisher, the house physician, was called, and messengers were dispatched for a number of eminent doctors.

Stokes, meantime, had gone through to the main stairs of the hotel and down to the office. His revolver was found under a sofa in the parlor. At the office he announced that he had shot a man who had insulted him, and advised that a doctor be sent for. He made no move to get away. The police were notified, and Captain Byrnes—afterward the famous Superintendent Byrnes—accompanied by Officer McCadden, took Stokes into custody. He was taken up-stairs, where Fisk identified him as the man who shot him.

Coroner Young was notified, and he impanelled a jury to take Fisk's ante-mortem statement, which Fisk signed with a firm hand.

When asked by the Coroner the formal question: "Do you believe you are about to die?" he replied: "I believe I am in a critical condition." In reply to the question, "Have you any hope of recovery?" he replied: "I hope so."

It was curiously characteristic of the man that his sanguine disposition to never believe himself beaten, whether by human law or the law of nature, should have led him, by making those reservations as to the expectation of his immediate death, totally to invalidate his ante-mortem statement as evidence against his assassin.

Mrs. Fisk arrived from Boston at 7.30 Sunday morning, January 7th. Her husband was then unconscious, and died at a quarter of 11, without having recognized his wife, whose grief was overwhelming. The murdered Prince of Erie died without a groan or a murmur.

Fisk's body was taken from the Grand Central Hotel on Monday, January 8th, to his residence, 313 West Twenty-third Street, and from there to the Grand Opera House, where it lay in state, from 11 o'clock. Hours before the opening of the Opera House, thousands of people had congregated in Twenty-third Street, and up and down Eighth Avenue for blocks, putting a stop to all traffic in that part of the city. The body was in a casket covered with black velvet, and was dressed in the full uniform of colonel of the Ninth Regiment, which Fisk had long commanded. The remains were reviewed by ten thousand people between 11 o'clock A.M. and 1.45 P.M., at which time the coffin was closed and carried out. The pallbearers were: Col. Emmons Clark of the Seventh Regiment; Col. Scott of the Eighth Regiment; Col. Allen of the Fifty-fifth Regiment; Col. Storey of the Sixth Regiment; Col. Porter of the Twenty-second Regiment; and Lieut.-Col. Webster of the First Regiment. The Ninth Regiment and a band of 200 pieces escorted the remains to the Grand Central Depot, whence a special train was to convey the remains to Brattleboro. The magnificent black horse Fisk was wont to ride at the head of the regiment was led riderless behind the hearse. The streets all along the route were crowded with people gathered to witness this last appearance of the Prince of Erie in a New York thoroughfare.

The engine of the special train was draped in black and white cloth. The officers and Directors of the Erie and of the Narragansett Steamship Company, and many friends of the deceased, accompanied the remains to Brattleboro, where they were buried in the cemetery.

The citizens of Brattleboro erected a striking monument over the grave of Fisk. It is of Italian marble, and was carved at Florence, Italy, at a cost of \$25,000. About the base of the shaft are four figures of women. One, with a steam engine carved on the chaplet around her brow, represents the Erie Railway; another is Commerce, a symbol for the Fall River line of steamboats; a third is the Muse of Music, emblematic of the Grand Opera House, and the fourth is typical of Commerce in its broadest sense. The sculptor of the monument was Larkin Mead, whose statue of "Ethan Allen" is at Montpelier. Relic hunters have subjected the Fisk monument to much mutilation.

A few years before Colonel Fisk's death an effort was made by residents of Brattleboro to build a fence around the cemetery in which his monument now stands, and a committee was sent to New York to solicit funds from former Brattleboro boys. Among those called upon was Colonel Fisk, and to the committee's solicitation he replied:

"Yes, I will give something; but I do not see any need of a fence around the cemetery. The fellows who are in cannot get out, and those who are out do not want to get in."

The members of the coroner's jury that held the inquest on the death of Fisk were ex-Mayor George Opdyke, M. B. Field, A. V. Stout, Henry Clews, Alexander McKenzie, William M. Bliss, James R. Edwards, Lowell Lincoln, John J. Gorman, William H. Lock, David Dows, Jesse Hoyt. January 15th they returned a verdict charging Stokes with deliberate



JAMES FISK, JR.

murder. Stokes was represented at the inquest by the famous criminal lawyers, John Graham and John McKeon, and by Willard Bartlett. Ex-Judges William A. Beach and William Fullerton appeared for the people.

The family of Stokes was influential and wealthy, and nothing was left undone to save him. He was tried for the murder of Fisk in July, 1872, and the jury disagreed, July 15th. He was retried, and January, 1873, was convicted of murder in the first degree, and sentenced, January 6th, by Judge Boardman, to be hanged February 28th. A new trial was obtained, and it resulted in a verdict of manslaughter in the third degree, October 29, 1873. Stokes was sentenced to four years in Sing Sing prison, and served his time. In-

fluence and money had won. White-haired, but still youthful-looking, Stokes has prospered in later years, and "walks the streets of New York, wealthy, but a social nondescript." The woman he made a widow is passing her declining years in a humble home in New England, virtually penniless. Josie Mansfield has been but little in evidence since the wretched fate of Fisk, and has made her home abroad, chiefly in Paris.

SAMUEL LATHAM MITCHELL BARLOW, who was the dominant figure in the Watson administration, and in the measures that led to the entanglement of the Company with the Atlantic and Great Western difficulties in 1872, was born at Granville, Mass., June 5, 1826, the son of Dr. Samuel Bancroft Barlow, physician. Young Barlow began the study of the law at the age of sixteen, and at twenty-three was so proficient that he was placed in charge of the settlement of claims resulting from the Mexican War, in one of which

cases he received a fee, or commission, of \$25,000 for half an hour's work. In 1852 he became a member of a law firm that gained celebrity under the name of Bowdoin, Larocque and Barlow, and, on the death of his two partners, formed the partnership that became still more famous as that of Shipman, Barlow, Larocque (Joseph) and MacFarland, which conducted some of the most important and costly of the Erie litigation from 1872 to 1884. Mr. Barlow controlled the policy of the *New York World* from 1864 to 1869. His fine residence at Glen Cove, L. I., was a gift to him from James McHenry, the Atlantic and Great Western magnate. Mr. Barlow died at Glen Cove July 10, 1889. He was one of the founders of the Manhattan Club, and a member of the Union Club, New York. ("Administration of Jay Gould," pages 190-199; "Administration of John A. Dix," pages 201-214; "Administration of Peter H. Watson," pages 212, 220, 223, 225, 226; "Administration of Hugh J. Jewett," pages 237, 240, 242, 248.)

## ERIE GRADUATES OF NOTE.

**HUGH RIDDLE.**—As a rodman with the Erie engineer corps of 1846 was the youth, Hugh Riddle. He remained in the corps in various capacities until the railroad was completed to Dunkirk in 1851. In that year he left the Erie service for a time to aid in the construction of the Buffalo and State Line Railroad, and later of the Canandaigua and



HUGH RIDDLE.

Niagara Falls Railroad. In 1853 he returned to the service of Erie, and had advanced so in the science of railroading that he was placed in charge of track over the line, with headquarters at Binghamton. Two years later he was appointed superintendent of the Delaware Division, being the second person to fill the place, his predecessor being William H. Power. In 1857, the railroad having been separated into two divisions, Mr. Riddle's authority was extended to the Eastern Division also, Homer Ramsdell, president of the

Company, acting as general superintendent. In 1859, the old four-division system was reestablished, and Mr. Riddle was continued as superintendent of the Delaware Division, which place he held until January, 1865, when he was appointed general superintendent. In 1869 he resigned, his resignation going into effect May 1st.

The following November Mr. Riddle was offered and accepted the general superintendency of the Chicago, Rock Island and Pacific Railroad, with headquarters at Chicago. His services in that great company were such that in the fall of 1871 he was elected vice-president, still retaining his office of general superintendent. He continued to fill those places with such benefit to the road and the company that in January, 1878, he was elevated to the office of president. Mr. Riddle had already become a power among the great railroad managers of the country, and the position the Chicago, Rock Island and Pacific occupies as a far-reaching and potent system to-day is due to the bold, firm, and wise methods of Hugh Riddle as head of the corporation. The railroad history of the time will bear ample testimony to this fact. Mr. Riddle continued as president of the company until 1883, when he declined a reelection. He remained, however, as chairman of the executive committee of the board of directors, and held that responsible post until his death in 1892. He was seventy years old.

Such a man as Hugh Riddle needs no words of fulsome praise or flattery to emphasize what he was. Beginning in one of the humblest places in railroad life, he rose rapidly, by his own exertion and merit alone, until he filled with superior ability the highest office that railroad service can offer. He died honored and full of honors.

**JOHN N. ABBOTT.**—Mr. Abbott, as boy and man, was for over a quarter of a century in the service of the Erie. He was born in New York City in 1845. He was educated in the public schools of that city, graduating at the age of fifteen. A year later, in 1861, he became a clerk in the office of General Superintendent Minot. Within one year he rose from the lowest clerkship in that office to be acting chief clerk, and other railway companies had already noticed his ability and were bidding for his services. In 1865 he was transferred to the passenger department as chief clerk. In 1869 he was appointed assistant general passenger agent. He held this place during the stormy times of the Gould and Fisk régime, and so satisfactory did his past services appeal to the management of Erie which succeeded the Gould control that, while most of those prominent in all branches of the Company's employ were replaced by new men, Mr. Abbott was

by a unanimous vote of the new directory appointed general passenger agent, succeeding William R. Barr.

Mr. Abbott soon took front rank among the passenger managers of the country, and was, by common consent, acknowledged to be a master in the handling of that branch of railroad traffic. He was, in fact, the first actual passenger traffic manager in the United States. He served through Gen. Dix's administration, through the exciting years of the Watson management, continuing at the head of his department under the Jewett administration, and until 1886 under



JOHN N. ABBOTT.

President John King, when he resigned to accept the chairmanship of the Western Passenger Association. He assumed that responsible post at the unanimous request of the leading railroad magnates of the West and Southwest, and held it until the association was abolished. Mr. Abbott then became assistant to the president of the Great Northern Railway system, which office he resigned in 1891 to engage in private business enterprises.

The story of the passenger traffic of the Erie, during John N. Abbott's incumbency as head of the department, may truly be said to be the story of the passenger traffic development of the country, so original and practical were his ideas, and

so promptly were they applied to the advancement of the interests of that traffic. Mr. Abbott had for years advocated the importance of devoting more attention to the development of local traffic on the Erie than any management of the Company had ever given it, and had the satisfaction of seeing that policy adopted two years before he left the Erie. Mr. Abbott achieved an enviable reputation while general passenger agent by his loyalty to the interests of the port of New York, and distinguished himself many times in protecting these interests when questions had arisen tending to subvert them. The immigrant-carrying business from this port to the West was brought to excellent proficiency, in the way of safeguards and other protections for immigrants on arrival, chiefly through his interest in their behalf, and the Erie held for several years almost the entire control of that great traffic.

In 1869 Mr. Abbott married Miss Violet Gardner, daughter of the late Hugh Gardner, who was Police Commissioner of New York City. Two children, John Jay, and Gardner, both grown to manhood and engaged prosperously in business, were the fruit of this marriage. In 1886 Mr. Abbott was president of the General Passenger and Ticket Agent's Association of the United States, and was for twelve years an inspector of public schools in New York.

**BENJAMIN THOMAS.**—Benjamin Thomas was born at Towanda, Bradford County, Pa., October 28, 1841. His father, whose ancestors came from Wales, was born in Cooperstown, N. Y., in 1810, and died in 1884 at Waverly, N. Y. His mother, whose ancestors were from the north of Ireland, were born at Shoreham, Vt., in 1804, and died in 1873, at Newark, N. J. His parents removed from Towanda to Newark, N. J., about the year 1854, his father being a hat manufacturer.

Young Thomas attended school at Towanda until he was thirteen years of age, and later attended public school at Newark. While attending night school at Newark he entered the employ of the American Printing Telegraph Company. Shortly after he had become a telegraph operator, the Company was absorbed by the Morse Magnetic Telegraph Company (now the Western Union), and the American printing instruments were abandoned. Thus he had to learn the new system, which he mastered in a short time. He then became a pupil at the Lyceum at Jersey City. He paid for his tuition and board by teaching. He prepared himself for higher education so well that he was able to enter Brown College at Schenectady, N. Y., as a sophomore, but he was unable to enter for the college course because the expense was more than his meagre resources would warrant. While preparing himself for college at the Lyceum, he became a good Latin scholar and mathematician, and he was a teacher of those branches successfully for a long time. So fond was he of them that his study of them has never been entirely discontinued, and to-day, in the fulness of his material success and prosperity, one of his principal recreations is the reading of the masterpieces of French and Latin literature.

Soon after leaving the Lyceum, Mr. Thomas went to Port



*B. Thomas*



Jervis, N. Y., where he entered the service of the Erie as a telegraph operator. He was promoted in a short time to the position of division operator, having charge of all the operators on the Delaware Division and branches. Then, in rapid succession, he was appointed to the important and responsible positions of night train despatcher, day train despatcher, and train master. In August, 1873, he was made acting superintendent, where his ability was so apparent that in December of the same year he was promoted to the place of division superintendent, which place he held for eight years.

June 1, 1881, he was promoted to be superintendent of transportation, with headquarters at New York, and later assistant general superintendent, from which place he was promoted to the general superintendency, filling the last-named place four years. In August, 1887, he resigned, and soon afterward was appointed general superintendent of the Chicago and Atlantic Railroad, with headquarters at Chicago, and at the same time was elected a director of the Chicago and Western Indiana Railroad Company, and of the Belt Railway Company of Chicago. September 15, 1888, he was elected vice-president and general manager of the Chicago and Western Indiana and Belt Railway companies, and in June, 1890, was elected president of the same companies, which position he now occupies.

Mr. Thomas is, in every sense of the word, a clear-headed and capable railroad man. His experience with the property of which he is now president shows this. When he took charge of it, it was scarcely paying operating expenses. Under his management it is now paying large annual dividends on several millions of dollars. Mr. Thomas is a great reader, a hard student, and a lover of old and rare books, with which his library, at his elegant residence in Kenwood, Ill., is well stocked. He is a man of many accomplishments. He is fond of social life, and is an agreeable companion and a courteous gentleman.

**EDGAR VAN ETEN**—Edgar Van Eten was born in Milford, Pike County, Pa., April 15, 1844. When he was quite young his father moved to Sussex County, N. J., where young Van Eten attended the public schools. At the breaking out of the Civil War in 1861, Edgar Van Eten, though then only seventeen years old, at once offered his services to his country. Fort Sumter was fired upon April 12th. On the 15th, his seventeenth birthday, young Van Eten enlisted in the Second New Jersey Volunteers, and went with them to the front. He served in that regiment three years, taking part in all the momentous engagements that have made it famous in the nation's history. He entered the war a pri-

vate, and, owing to his conspicuous gallantry, was promoted to the rank of captain when but twenty years of age. In 1864 Captain Van Eten retired from the army, and had charge of a large tannery in Wayne County, Pa.

Shortly after this he secured a position as clerk in the paymaster's office of the Delaware Division of the Erie Railway. In speaking of the manner of his taking this position, an index is afforded of the entire absence of all pretext and



sham in his moral make-up. Most men say that such and such a position was offered to them; but in narrating the occurrence, he states plainly that he worked hard to get on the Erie, and finally secured the position; but the clerkship in the paymaster's office was not a position suitable for one who had led such an active life as Mr. Van Eten, and he, therefore, left this indoor work and went out as a flagman on the Erie Railway. This was in 1866, in his twenty-second year. The flagman's post was scarcely a position from which one would expect to see a man rise to so high a position in life; but Mr. Van Eten had the true metal in him, and even

as flagman his work attracted the attention of his superiors, and in a year's time he was appointed a conductor, in which position he continued to serve, both on freight and passenger trains, until 1873. In that year, so faithful had been his service as conductor, he was promoted to the position of despatcher on the Delaware Division of the Erie, and he continued as special, and afterwards as chief, despatcher until 1877, when he was made the superintendent of the Delaware Division. Here he remained a little over two years, when he was sent as superintendent to the Buffalo



*F. S. Gannon*

Division of the Erie, a much more important division. For two years he managed this division with signal ability and marked success. Then continuing to advance steadily in his profession, he went to the Western Division of the Rome, Watertown and Ogdensburg Railroad as superintendent, where he remained but a few months, as he was offered, by the railroads centring at Buffalo, the managership of their Car Service Association, just then organized. Mr. Van Etten remained manager of this service two years, when he was offered the position of superintendent of the western

end of the Lehigh Valley Railroad. So signally did he meet all the requirements of this position that he was soon offered the superintendency of the Rome, Watertown and Ogdensburg Railroad. Owing to the marked ability which he displayed in this, Mr. Van Etten was, in February, 1893, appointed general superintendent of the wealthiest railroad on the American continent—the New York Central and Hudson River, an exalted position which he still holds.

FRANK S. GANNON.—Mr. Gannon, Third Vice-President and General Manager of the Southern Railway Company, began in a most humble place with the Erie, entering its service thirty years ago. He became a telegraph operator, and in 1871, when he left the Company's employ, he was operator at Cochection, on the Delaware Division. After leaving the Erie, Mr. Gannon went with the New Jersey Midland Railroad Company, now the New York, Susquehanna and Western, where he remained five years as clerk in the president's office, terminal agent, superintendent's clerk, and train despatcher, successively. He then entered the service of the Long Island Railroad Company as train despatcher, and was promoted to the position of master of transportation. He left that company in January, 1881, to become supervisor of trains on the Baltimore and Ohio Railroad. He remained with that company until April, 1881, when he was appointed general superintendent of the New York City and Northern Railroad. In 1886 the Baltimore and Ohio acquired control of the Staten Island Rapid Transit Company, and Mr. Gannon's successful management of the Northern road having established his reputation for skill and wise judgment in railroad matters, he was offered the place of general superintendent of the Rapid Transit Company, and he accepted it. This busy system obtained more than local fame, for it was the link by which the Baltimore and Ohio system was to be brought into close touch with New York City. In the discussion of the interests of the company in and around New York, Mr. Gannon came into contact with leading railroad minds of the country, and his ideas and opinions on railroad management impressed them with his ability and originality. He was general superintendent of the Rapid Transit Company (in the meantime having been elected president of the Staten Island Railway Company also) from August, 1886, until November, 1894, when he was made general manager. He was also appointed general superintendent of the New York Division of the Baltimore and Ohio in 1888. He was now recognized in the railroad world as one of the ablest of managers, which fact was demonstrated January 1, 1897, when he was appointed third vice-president and general manager of the great Southern Railway system.

In their younger days Mr. Gannon and Mr. Samuel Spen-

cer were together on the Long Island Road, and they are to-day coöperating in building up and harmonizing the Southern Road and the various industries along its lines.

Frank S. Gannon was born at Spring Valley, Rockland County, N. Y., September 16, 1851. His education was obtained in the country schools and in the school of experience. He was married at Jersey City, September 24, 1874, to Miss Marietta Burrows, of that city. His family consists of seven sons and one daughter: J. Walter, Frank S., Jr., Anna B., James B., Greg. F., Edward E., T. Albert, and Robert.

WILLIAM J. MURPHY.—Mr. Murphy began with the Erie as telegraph messenger at Susquehanna, Pa., in April, 1862, when he was fourteen, and he was in the continuous service of the Erie until March, 1890, twenty-eight years. During that time he rose to the highest office in the operating department, that of general superintendent. In 1864, young Murphy was appointed telegraph operator and ticket clerk at Deposit, N. Y. During 1865 he was consecutively train flagman, station agent, and yardmaster at Deposit. In 1866 he was placed in the train despatcher's office at Port Jervis as operator, and continued as such until 1870, when he was promoted to be train despatcher of the Delaware Division, and in 1872 to be chief train despatcher and division operator of that division. He performed the duties of those responsible places ten years, when he was appointed superintendent of the Delaware Division, August 22, 1882. In November, 1884, Superintendent Murphy was transferred to the still more responsible post of superintendent of the Buffalo and Rochester divisions, with headquarters at Buffalo. Three years later, August 22, 1887, he was made general superintendent of the Erie system. Mr. Murphy was at the head of the Erie operative department until March 26, 1890, when he resigned, broken in health. He travelled a year abroad and at home for the benefit of his health, which being restored, he accepted, March, 1891, the superintendency of the Brunswick Division of the East Tennessee, Virginia and Georgia Railroad, with headquarters at Macon, Ga., where he remained two years, when he resigned to take the office of superintendent of the Cincinnati Division of the New Orleans and Texas Pacific Railway (the Queen and Crescent Route), with headquarters at Lexington, Ky., which office he continues to hold.

In May, 1898, during the war with Spain, as recognition of Superintendent Murphy's efforts by which the large movement of troops over his line was handled with surprising facility and smoothness, Governor Bradley, of Kentucky, appointed him to the military service of the State, with the rank of colonel, and directed him to superintend the transportation of Kentucky troops.

William J. Murphy was born at Greenfield, Mass., August 23, 1848. His early preceptors in the science of railroad-ing were Charles Minot and Hugh Riddle. That he learned

well, his career amply proves. Mr. Murphy was married, February 23, 1870, to Miss Maria T. A. Vogel, of Zanesville, Ohio.

JAMES H. RUTTER began life as a clerk in the freight office at Elmira. In 1866 he had risen to be assistant general freight agent of the Company, and his ability became so conspicuous in transportation circles that he was



personally solicited by Cornelius Vanderbilt to enter the service of the New York Central as general freight agent, which he did. In 1877 he was made general traffic manager of that system. In 1880, his services in the Vanderbilt interest had proved so valuable, the office of third vice-president was created for him. He held that office until 1883, when William H. Vanderbilt resigned as president of the Company in favor of Mr. Rutter. He remained at the head of the great Central system until 1885, when his health

broke down. He died June 27th of that year, his death being followed next day by that of his wife. They were buried in the same grave.

**JOHN BAIRD MORFORD.**—John B. Morford began as "water-boy" and newsboy on the Erie at the age of twelve. This generation of railroad travellers does not know what water-boys were. In the early days of railroading there were no ice-water tanks in the cars, but the Erie was so solicitous for the welfare and comfort of its passengers that it provided boys to go through the cars at intervals, carrying a pail of fresh water and a cup, so that thirsty travellers might quench their thirst. In 1852 one of those boys was John B. Morford, who was born at Warwick, N. Y., July 16, 1836. From water-boy he was promoted to be despatch messenger between New York and Dunkirk, and in 1853 he became brakeman on a freight train on the Eastern Division, subsequently being transferred to a passenger train. He "broke" on passenger and freight trains on Eastern trains until November, 1857, when he was promoted to the conductorship of a freight train, and subsequently to a passenger train, in which capacity he served the Erie until September, 1866, when he went to the Morris and Essex Railroad (now Delaware, Lackawanna and Western) as chief train despatcher at Hoboken, and superintendent of Boonton Branch. He remained in that place until 1870, in December of which year he became general agent of the Hudson River Railroad, at Thirtieth Street, New York, and subsequently station master at the Grand Central Depot. In January, 1872, he became general superintendent of the Long Island Railroad, where he remained three years, when, in February, 1875, he took charge as superintendent of the Sandy Hook Steamboat Company, filling successively that place and the posts of superintendent of ferries and lighterage of the Central Railroad of New Jersey, until January, 1882. From the latter date until April, 1883, he was superintendent of construction of the Sabine and East Texas Railroad. He was then appointed by the Michigan Central Railroad Company assistant superintendent of its Eastern and Toledo divisions. In December of that year he was transferred to the more important position of superintendent of the "Canada Division," with headquarters at St. Thomas, which place Mr. Morford continues to hold. Superintendent Morford always refers proudly to the time when he was a water-boy and newsboy on the Erie.

**GIOVANI P. MOROSINI.**—There is nothing in fiction more dramatic and romantic than the incidents that led to Giovanni P. Morosini's coming into the service of the Erie. In 1855 he was a sailor, and had been a sailor five years. He was the son of Paul P. Morosini, a scion of pure old Venetian stock. He was born at Venice June 24, 1834, and was educated as a soldier as well as a civilian. During the war between Italy and Austria misfortune overtook the family, and upon the capitulation of Venice in 1849, young Morosini resolved to seek his fortune in other lands. In 1850 he found himself at Smyrna. An American vessel was prepar-

ing for her homeward voyage. Filled with the spirit of adventure, Morosini shipped as a sailor upon her. A seafaring life seemed to fill his longing for a time, but at last he wearied of it, and in 1855, being then at a sailors' boarding-house in New York, he resolved to quit his roving life if he could find something better to turn his hands to.

It happened that one day he visited Staten Island with nothing in view except diversion. While walking along a road he came upon a number of half-grown boys who had set upon and were beating a boy much smaller than they. This at once aroused his ire, and he instantly hurried to the aid of the boy thus overmatched. His attack amazed the young ruffians at first, but they rallied and turned upon him. He drew his sailor's knife, and brandishing it, rushed to meet them, but at the sight of the knife and the determination of the one who wielded it, the gang fled. The boy informed his rescuer that he lived not far from the spot, and Morosini helped him home, where he met the boy's father, who on being told what had occurred, was warm in his expression of thanks to the champion of his son, and offered him a sum of money. This Morosini declined to accept.

"Is there anything, then, that I can do for you?" asked the grateful father.

"I am a sailor," replied Morosini, "but am tired of the sea. If I could obtain employment ashore I should be pleased to accept it."

The father of the boy whom Morosini had befriended was Nathaniel Marsh, then secretary of the New York and Erie Railroad Company. He interested himself in the sailor, and obtained for him a place as office-boy for the president of the Company, Homer Ramsdell. That discerning man soon discovered that his office-boy was a lad much above the average in intelligence and ability, and Morosini was promoted to a clerkship in the auditor's office. Promotion followed promotion there, until the whilom sailor was chief clerk of the audit department.

Jay Gould came into the direction of Erie affairs in 1868, and that master of human nature quickly became aware of the unusual value of Morosini, and in 1869 the chief clerk of the audit office was advanced to the head of that most important department, and became Jay Gould's confidential secretary in 1872.

In 1879 Mr. Gould took Morosini into partnership with him, a partnership that continued until 1885, when Morosini, Mr. Gould having retired from active individual participation in Wall Street affairs, continued business for himself, and made a great fortune, which he fully and rationally enjoys.

**AUGUSTUS SHERILL WHITON.**—Augustus Sherill Whiton died in New York City Monday, February 7, 1898, in his seventy-eighth year. Mr. Whiton, when but eighteen years of age, was a member of the engineer corps that finally located the route for the New York and Erie Railroad between Piermont and Goshen, in 1838.

Young Whiton was promoted to be assistant engineer to H. C. Seymour in 1839. In 1840 he was appointed superin-

tendent of superstructure and bridges of the Eastern Division, and had charge of that work in the building of the road between Piermont and Goshen. In 1851 he was appointed engineer and superintendent of the Newburgh Branch and

Virginia. He retired from active railroad service in 1858, and established at New York a depot for railroad supplies. He conducted the business for nearly forty years, and accumulated a large fortune from it.



AUGUSTUS SHERILL WHITON.

superintendent of the Eastern Division. He resigned in 1852 to go to Kentucky to take charge of the construction as chief engineer of the Maysville and Lexington Railroad. In 1854 he again became Erie's superintendent of the Eastern Division and branches. 1857 he resigned to become chief engineer and manager of a railroad and coal mines in

In 1843 Mr. Whiton was married to Caroline, daughter of Thomas Ward, the Ramapo ironmaster and landed proprietor. He was born at Binghamton, N. Y., on Christmas, 1820. He was a graduate of the old Ithaca Academy. He was an elder in the Collegiate Dutch Reformed Church of New York.

# GAZETTEER

## OF CITIES AND VILLAGES ON THE LINE OF THE ORIGINAL ERIE AND ITS BRANCHES

### NEW YORK (EASTERN) DIVISION.

**JERSEY CITY, HUDSON Co., N. J.** From New York, 1 mile; Buffalo, 424 miles; Dunkirk, 459. Eastern terminus of the Erie since 1851. Second city of New Jersey and capital of Hudson County. Population, 200,000. On the west bank of the Hudson River, one mile from New York, connecting with five lines of ferry-boats. Also the terminus of twelve other lines of railroad. Site originally called Paulus Hook. Chartered, 1820, as "the City of Jersey"; name changed to present one, 1838. Population when it became Erie terminus, 7,000.

**RUTHERFORD, BERGEN Co., N. J.** From New York, 10 miles. From an early day known as Boiling Spring neighborhood. Farm and farm-gardening community. Laid out in town plots in 1866. Settled rapidly. Named Rutherford Park. Changed to Rutherford, 1875. Incorporated a borough, 1881. Population, 1898, 3,900. Residential. 7 churches; 1 high school, 3 district schools; 2 banks; 2 newspapers; 2 hotels.

(CARLTON HILL, important as the site of great bleaching works; station for East Rutherford.)

**PASSAIC, PASSAIC Co., N. J.** From New York, 12 miles; Buffalo, 413; Dunkirk, 448. First settlement in 1678, when site near Passaic city was bought by Hartman Michielson from the Indians. He got a perfect title to it in 1685 for "one fat henne." In 1678 Christopher Hoogland bought 278 acres of the present site of Passaic and sold it to Michielson. The tract was called Acquackanonk. A settlement of industrious Dutch soon grew up. Acquackanonk was the head of navigation on the Passaic River. It was called "the Landing," and was the shipping and receiving point for supplies for the country as far away as Orange County, N. Y. For a century Acquackanonk had this commercial supremacy. Then the Paterson and Hudson River Railroad was built, and destroyed the importance of river navigation. Dundee Water Power Company incorporated, 1832. In 1861 built the dam which conserved the great water-power of the Passaic and insured the future of Passaic. The Dundee Railroad was built, which is now part of the valuable local possessions of the Erie. Incorporated as a village, 1871; city, 1873. Reformed Dutch Church, 1686. Part of present church building built, 1761. 12 churches; high school; 6 ward schools;

2 banks; 4 newspapers; 2 hotels. Passaic a place of marvelous growth. Population, 1898, 12,000. Manufacturing interests large. One of the wealthiest places on line of Erie. Four Erie stations in Passaic. Beautiful and costly residences.

(CLIFTON AND LAKE VIEW. Residential localities between Passaic and Paterson; Lake View part of Paterson.)

**PATERSON, PASSAIC Co., N. J.** From New York, 17 miles; Buffalo, 408; Dunkirk, 443. Site, owing to water-power of the Passaic River, chosen in 1791 by Alexander Hamilton and others for the uses of the "Society for Establishing Useful Manufactures," which was chartered in that year. Place named for the then Governor of New Jersey. Township government until 1851; then incorporated as city; population, 11,000. Ex-Governor Philemon Dickerson first President City Council. Limits enlarged 1854, and present city incorporated under new charter, 1871. Population, 1898, (estimated) 90,000. Third city in New Jersey. Centre of silk manufacturing in United States. 72 churches; 4 synagogues; 6 missions; high school; 19 ward schools; 1 normal training and model school; 1 manual training school; 6 banks (3 national, 1 savings, 2 safe deposit and trust companies); 15 newspapers (5 daily, 7 weekly, 3 monthly); 109 incorporated companies (39 silk, silk fabric, and allied branches of silk manufacture); 2 hospitals; 2 orphan asylums. Electric lighting and gas; electric street railways, and connecting with Hoboken and intermediate points. Fine parks. Public buildings and residences architecturally elegant. Paterson and Hudson River Railroad, one of the first in the country, opened in 1833; now part of Erie main line. Manufacturing began in 1792 with cotton print works, one of the first in the country. During the war of 1812 Paterson was one of the largest producers of cotton goods. This industry was followed by other special enterprises, notably the manufacture of silk and locomotives. The silk factories and locomotive works of Paterson alone have made its fame world-wide. The manufacture of silk was started about three-quarters of a century ago by John Ryle, a weaver from Macclesfield, England. He struggled long with misfortune, but the interest he awakened in this branch of trade brought capital into it, until to-day not less than \$8,000,000 are invested in the silk business of the city, giving employment to thousands of hands, and turning out every variety of silk fabric, from a thread to the costliest dress-

goods. The rolling-mills, iron-bridge works, and hundreds of other factories give employment to other thousands. Pre-eminence in the silk industry has given Paterson the name of "Lyons of America." Erie, Susquehanna and Western, and Delaware, Lackawanna and Western railroads. County seat of Passaic County.

(HAWTHORNE, suburb of Paterson, across the Passaic River. Pastoral and historic.)

RIDGEWOOD, BERGEN CO., N. J. From New York, 22 miles. Settled, 1853. Formerly Godwinville. Incorporated. Population, 2,500. In historic Paramus Valley: Home of prominent professional and business men of New York City. 3 churches; public schools; 1 newspaper.

(UNDERCLIFF, HOBOKUS, WALDWICK, ALLENDALE, RAMSEY'S, and MAHWAH, BERGEN CO., N. J. From New York respectively 23, 24, 25, 26, 28, and 30 miles. Small stations in historical and pastoral communities. Near Ridgewood, Undercliff, and Hobokus is the old stone mansion, "The Hermitage," in which Aaron Burr wooed, won, and married Theodosia Provost. The Dutch Church, turned by the British into a prison-house for soldiers of the Revolutionary army, is also nearby. Waldwick is the outgrowth of excessive water and other taxes on the Erie at Paterson, owing to which the Company changed the housing of the rolling stock of its frequent "shuttle" trains between Paterson and Jersey City from Paterson to the site of Waldwick, establishing an extensive switch yard and engine and car houses, and bringing a lively village into existence. Allendale and Ramsey's, extensive small-fruit growing. Churches and public schools, hotels. Newspaper at Ramsey's.)

SUFFERN, ROCKLAND CO., N. Y. From New York, 32 miles; Dunkirk, 428; Buffalo, 393. Settled, 1773. Name originally New Antrim, from Antrim, Ireland, native place of John Suffern, first settler. Name changed to Suffern on opening railroad in 1841. Population, 1,100. 3 churches; public schools; 1 newspaper; 3 hotels. Original line of Erie runs from Piermont to Suffern, now called Piermont Branch. Here is the historic Ramapo Pass. The present road through the pass was an old Indian trail, and the settlers found it the nearest and best road between the northern colonies and the southern, when the Hudson River was blockaded—hence during the Revolutionary war it was early watched and fortified. The centre of military operations was about a mile within the gorge. Military was stationed here all through the war to guard the pass and to stop intruders. Col. Malcolm's regiment was here in 1777, and Aaron Burr was assigned to it for duty. It was from this command that Burr won his military reputation by daring exploits in the Paramus Valley and about Hackensack, N. J. Washington had his headquarters in the old Suffern house, now torn down, near Suffern village. On the hills east of Suffern the French army encamped on its way to Yorktown.

(NOTE.—For Piermont Branch references see "The Turning of Its Wheels," pages 390-391.)

(HILBURN, ROCKLAND CO., N. Y. From New York,

33 miles. Hamlet due to Ramapo Iron Works. In the Ramapo Pass. Population, 300.)

RAMAPO, ROCKLAND CO., N. Y. From New York, 34 miles. Settled, 1795. Population, 300. 2 churches; public school. Formerly nail works, rolling mill, cotton mill, steel furnace, wire works, hoe factory, saw and grist mills. First train on Erie ran to Ramapo June 30, 1841. History of Pierson family is the history of Ramapo. Josiah G., Jeremiah H., and Isaac Pierson, brothers, established nail works and rolling mill here in 1783. In 1807 added manufacture of hoops for whale-oil casks. Product of industries, 1,000,000 pounds of iron annually. Established cotton mill in 1816, looms of J. H. Pierson's own invention, to make striped shirting. In 1820 began manufacture of spring steel; 1830 manufacture of blister steel; 1835 manufacture of screws by machinery, invented at Ramapo by a Pierson workman. At that time 300 men employed by Piersons. J. H. Pierson and his son Henry L. leading spirits in the history of the Erie. In 1850 Piersons retired from business at Ramapo. Family large proprietors of the place to-day. Now only car-wheel works and foundry there. Terminus of Erie from July 1, 1841, until September 23, 1841 ("The Building of It," page 331).

(STERLINGTON, junction of the Sterling Mountain Railroad, running to Sterling Lake and mines; SLOATSBURG, a small hamlet, formerly of some industrial importance. From New York, 35 and 36 miles respectively.)

TUXEDO, ROCKLAND CO., N. Y. From New York, 38½ miles. Formerly Lorillard's. Population, 300. Station for Tuxedo Park. Tuxedo, according to the researches of William Waldorf Astor, is from the Algonquin *P'tauk-sut-tough*, meaning "Home of the Bear." According to local tradition Tuxedo is a corruption of "Duck Cedar," the lake having been once alive with wild ducks and surrounded by cedars. Tuxedo Park was originally the wilderness tract of 13,000 acres belonging to the original Peter Lorillard. At an early day there were iron works on the outlet of the lake on the tract. They were abandoned years ago, and the estate lay idle. Ground was broken in November, 1885, for the Tuxedo Club; June 1, 1886, the club-house was opened. In the club grounds to-day are about 100 houses, ranging from the romantic chalet to the substantial and ornate chateau, church, schools, fish hatchery, game preserves. Within the park enclosure forty miles of drives, twenty-five miles macadamized. Complete police service, fire brigade. Last Erie station in Rockland County, N. Y.

(SOUTHFIELDS AND ARDEN, ORANGE CO., N. Y. Hamlets; from New York, 42 and 44 miles. Arden, formerly Greenwood, noted for the iron works belonging to Peter P. Parrott, of Parrott gun fame. Abandoned years ago. Picturesque ruins of works near the station. E. H. Harriman, the millionaire New York banker and horse-breeder, resides at Arden.)

TURNER'S, ORANGE CO., N. Y. From New York, 47 miles; Dunkirk, 412 miles; Buffalo, 377; Newburgh, 16. Came into existence with the Erie. First railroad dining-saloon on the Erie, established by Peter Turner, 1841,

famous for fifty years. Original building still standing. The Erie erected an immense brick hotel and dining-room at Turner's in 1865. It was run in luxurious style during the Gould and Fisk *régime*. Destroyed by fire December 26, 1873. Cost, \$300,000; never rebuilt. Eastern extremity of Orange County dairy region. Trains for Newburgh Short-cut.

(MONROE AND OXFORD, ORANGE CO., N. Y., 50 and 52 miles from New York. Milk-shipping stations; summer visitors. Newspaper at Monroe; 4 churches; 2 hotels. Population, 700. Brie cheese factories.)

GREYCOURT, ORANGE CO., N. Y. From New York, 54 miles; Dunkirk, 406; Buffalo, 371; Newburgh, 19. Junction of Newburgh Branch, Lehigh and Hudson, and Orange County railroads. School; hotel.

CHESTER, ORANGE CO., N. Y. From New York, 55 miles; Dunkirk, 405; Buffalo, 370. Settled, 1751, at the old town, three-quarters of a mile from station; village about the station grew from the coming of Erie in 1841. Incorporated, 1892. Population, 1,200. Agricultural and dairy; business of milk transportation by rail originated here spring of 1842 ("The Turning of Its Wheels," pages 406-409). Chief agricultural pursuit, onion-growing on "black dirt" meadow area, 700 acres in extent, between Chester and Greycourt, reclaimed from almost bottomless marsh. Cheese factory, making Neufchatel, Brie, cream, and other fancy brands; uses 10,000 quarts of milk a day. Home of Hambletonian, father of the American trotter; born, 1848; sired 1,200 colts; died, 1876; costly monument marks his grave. Famous trotters bred and owned here. 4 churches; high school; district schools; newspaper; bank; 3 hotels; opera house; gravity water system; preparing (1898) for gas or electric lighting; fire department. Chester was one of the two original stations of the Erie to have an agent, Goshen being the other.

GOSHEN, ORANGE CO., N. Y. From New York, 60 miles; Buffalo, 364; Dunkirk, 399. Settled, 1712. Incorporated, 1843. Population, 3,000. 6 churches; academy; schools; 2 newspapers; 2 national banks; 1 savings bank; 4 hotels. Well organized fire department; electric light and gas. Centre of greatest dairy and stock-raising region in State. County seat of Orange County since 1728. Nursery of blooded horses. Some of the greatest horses in the records of the turf or stud were either sired, born, or bred here. Trotters representing a value of \$300,000 are (1898) owned in Goshen; among them Stamboul, the champion trotting stallion (2.07½), and John R. Gentry, the great pacer (2.00½), of E. H. Harriman's Goshen stables, alone represent \$70,000. \$10,000 horses are numerous; \$5,000 horses common. Goldsmith Maid, the queen of the turf in her day, was sired here by a Goshen horse, and broken and trained for the turf near by. The Goshen stock farms and race track are historical, the Goshen Driving Park Association being one of the crack turf organizations of the United States. Until the farmers adopted the plan of selling their milk in the New York market instead of making it into butter, "Goshen but-

ter" was famous the country over. The monument in the public square commemorates the men who fell fighting the noted Indian leader Brant, in 1779, in the Delaware Highlands, most of them being from Goshen and vicinity. The monument was erected in 1822, the bones of the men having been collected from the old battle-field in that year and buried in the public park. Goshen abounds in Revolutionary lore. January 22, 1779, Claudius Smith, the notorious Tory "Cow Boy" of the Revolution, was hanged at Goshen. The Goshen Academy was established in 1790. Noah Webster, the great lexicographer, was a teacher in it, and was preparing his great work at that time. The Goshen *Independent Republican* is one of the oldest papers in the State, established 1812. The first official printing office of the Erie was that of the *Goshen Democrat*, where the Company's printing was done from 1841 to 1851. Goshen was the western terminus of the railroad from September, 1841, until June, 1843. When the railroad was opened, all the present main business part of the place was a vast common, known as Fiddler's Green. The population was 400. Goshen, besides being one of the oldest, is one of the wealthiest villages in the State. Gas and electric light; water works; electric railroad to Middletown. Junction of Pine Island and Montgomery branches of Erie. Henry Fitch, first general passenger agent of Erie, resigned as teacher in Goshen Academy, 1846, to take the office.

(MONTGOMERY, ten miles from Goshen, on Montgomery Branch, and FLORIDA, on the Pine Island Branch, villages in the dairy regions of Orange County, N. Y. Montgomery originally Ward's Bridge. Settled in last century. Incorporated as village, 1806. Manufacturing as well as agricultural. 4 churches; 2 schools; 1 newspaper; 4 hotels. Florida settled in last century. 3 churches; graded school; 2 hotels. Birthplace of William H. Seward, the great American statesman.)

(NEW HAMPTON, ORANGE CO., N. Y. From New York, 64 miles. Important only as milk-shipping station.)

MIDDLETOWN, ORANGE CO., N. Y. From New York, 67 miles; Buffalo, 358; Dunkirk, 393. Agricultural, dairy, and industrial. Citizens paid for finishing railroad from Goshen, 1843. Terminus of Erie until 1846. Incorporated village, 1848; city, 1892. Population, 1898, 14,000. 10 churches; 1 high school; 5 ward schools; 8 newspapers (3 daily, 5 weekly); 4 banks; 4 hotels; theatre; Thrall Hospital; public library. Extensive saw, file, hat, nail, carpet-bag, and wood-type factories; milk condensery, iron furnace, and brewery. Paved streets, electric street railroad and lights, superior fire department, gravity water system. Soldiers' monument. State Homœopathic Insane Asylum (only one in State), incorporated 1870. Erie, New York, Ontario and Western, and New York, Susquehanna and Western railroads, and Crawford Branch of the Erie. 4 railroad stations. Orange County Agricultural Society's fair grounds. Middletown began on the lowland by a settlement as long ago as 1778. Here was then a frontier land. The courageous pioneers who preëmpted the wilderness shared with those of the settlements about them in the bloody scenes

evoked by the vengeance of the red men, who struggled long to hold their ancient hills and valleys against the usurping pale-face. At the beginning of the present century development of the splendid agricultural district began in earnest, and the clustering farms grew into a village and an important centre for the surrounding country. It was not until the completion of the Erie to the place in 1843, however, that its era of greatest usefulness and importance was inaugurated. Its growth has been rapid ever since. No place on the Erie between Paterson and Binghamton exceeds Middletown in the extent, importance, and reputation of its manufacturing interests. The disposition of the citizens of this place toward proposed enterprises of every kind in its precincts has been uniformly generous and encouraging. Its hat factories, saw factories, file works, milk condenseries, and carpet factories are among the leading ones of their class in the country. Trade centre of the rich dairy region of Orange, Sullivan, and Sussex counties.

(HOWELLS, OTISVILLE, GUYMARD, ORANGE CO., N. Y. From New York, 71, 76, 80 miles respectively. Neat villages in dairy region. Important as milk-shipping stations. Churches and public schools. Otisville was terminus of Erie 1846 to 1848. Summit of Shawangunk Mountains. Settled, 1816, by Isaac Otis, subsequently president of Hanover Bank, New York, and founder of Atlantic Bank. 3 churches. From 1863 to 1870 10 mining companies had headquarters hereabout to mine supposed rich lead deposits in Shawangunk Mountains, chiefly about Guymard. Many shafts sunk; all abandoned. Remains of a huge mastodon exhumed near Otisville in 1871.)

#### DELAWARE DIVISION.

PORT JERVIS, ORANGE CO., N. Y. From New York, 88 miles; Buffalo, 337; Dunkirk, 372. Terminus New York and Delaware Division of Erie. Settlements made near, in the Neversink Valley, 1690, by Hollanders and refugee Huguenots. Port Jervis settlement due to Delaware and Hudson Canal, 1827. Named for John B. Jervis, chief engineer of the canal. Hamlet until coming of Erie, 1848. Incorporated as village, 1853. Population, 1898, 10,000. 6 churches; Catholic Orphan Asylum; 1 high school, 3 district schools; 2 national banks; 5 newspapers (2 daily, 3 weekly); 5 hotels; theatre; hospital; public library; Young Men's Christian Association (railroad branch). Electric and gas lighting; electric street railway. Excellent fire department; gravity water system. Erie round-houses and repair shops. Suburbs, Sparrowbush, Tri-States, Matamoras, Pa., latter connected by wire suspension bridge across the Delaware. Tri-States formerly Carpenter's Point, at junction of Neversink River with Delaware River. New York, New Jersey, and Pennsylvania lines meet here. Monument marks the spot, which stands in three States and in three counties. Port Jervis is the outlet of the lower Delaware Valley for twenty miles, and large portion of Sullivan County, N. Y. Port Jervis and Monticello Railroad.

Milford, Matamoras and New York Railroad (building, 1898).

When the Erie was opened to Port Jervis none of the present business and residential part of the place was in existence. All between the hamlet and the canal and the Delaware River was a swampy waste. The village now occupies that area. To the railroad it owes its growth and existence. No place in Orange County is more delightfully located. The neighborhood is rich in historic and antiquarian lore. The road that runs on the outskirts of the village, through the Neversink Valley and on down the Delaware, is believed to be the oldest passable road of any length ever constructed in the United States. It is mentioned in very old records as being in existence between Esopus (Kingston) on the Hudson and a point near the Delaware Water Gap, as long ago as 1690. It has always been known as the "mine road," and tradition says it was constructed by people from Holland, who sought mines of gold or copper along the Lower Delaware River mountains.

(MILL RIFT, POND EDDY, PARKER'S GLEN, PIKE CO., PA. From Port Jervis, 4, 11, 15 miles. Bluestone quarrying, shipping, and manufacturing centres. Parker's Glen, formerly Carr's Rock, scene of the terrible railroad disaster of February, 1868. See pages 443-444.)

SHOHOLA, PIKE CO., PA. From New York, 103 miles. Famous for its Glen, and station for summer visitors to the adjacent resorts in Pike and Sullivan counties. Also bluestone quarrying and shipping point.

LACKAWAXEN, PIKE CO., PA. From New York, 111 miles; Buffalo, 314; Dunkirk, 349. Quarrying; bluestone shipping; summer resort. Junction of Honesdale Branch. Delaware and Hudson Canal crossed Lackawaxen and Delaware rivers here by aqueducts, built by John A. Roebling in 1848, until 1898, when canal was abandoned. Five miles back of Lackawaxen is the spot where Horace Greeley attempted, in 1843, to found a Social Community, after the manner of Fourier, and failed.

(WESTCOLANG PARK, MAST HOPE, TUSTEN, PIKE CO., PA. From Port Jervis, 26, 28, 31 miles respectively. Stations for summer visitors. Bluestone quarrying. Milk.)

NARROWSBURG, SULLIVAN CO., N. Y. From New York, 122 miles; Port Jervis, 34; Buffalo, 303; Dunkirk, 338. Originally important lumbering centre. First circular-saw-mill in Delaware Valley built near by, on Pennsylvania side. Named from narrows in the river, head of Big Eddy, deepest and widest place in the river above tide. Narrows spanned by wooden bridge erected in 1846—last of its kind the entire length of the river. Famous 40 years as railroad dining station. From coming of Erie in 1848 until 1856, nearest railroad station for passengers and freight to Scranton, 50 miles; Wilkesbarre, 70 miles, and intermediate country. Connected with Erie by stage-coaches and freight-wagons. Thomas Dunn and wife, refugees from Wyoming massacre, 1778, buried here. Population, 1898, 300. 2 churches; district school; newspaper. Bluestone; milk; summer visitors.

COCHECTON, SULLIVAN CO., N. Y. From New York, 131 miles; Port Jervis, 43; Buffalo, 294; Dunkirk, 329. Settlements near, 1757. From 1806 until coming of Erie all travel to Susquehanna Valley near Binghamton from Hudson River at Newburgh passed through Cochecton by Newburgh and Cochecton turnpike and extension through Pennsylvania. 2 churches; district schools; 1 hotel; bridge across Delaware. Milk; summer visitors.

CALLICOON, SULLIVAN CO., N. Y. From New York, 136 miles; from Port Jervis, 48; Buffalo, 289; Dunkirk, 329. At mouth of Callicoon Creek. Eastern end of 40-mile section of original contract for work on Erie, 1835 (page 36, General History). Population, 600. Agricultural and dairy. Important water station on Erie. Station for summer visitors. 3 churches; 2 schools; 2 newspapers; 52 hotels and boarding-houses. Largely German population. Bridge across Delaware to Wayne County, Pa.

(HANKIN'S, LONG EDDY, LORDVILLE, STOCKPORT, DELAWARE CO., N. Y. Hamlets, formerly important centres of lumber and tanning business. Schools, churches, hotels. Milk, bluestone; summer visitors. Long Eddy, also known as Basket. Laid out in 1870 for speculative city named Douglas City. Failed. Lordville, station for Equinunk, Pa., where the last extensive lumbering and tanning in the valley were done. Stockport is the station for an interesting region on the Pennsylvania side of the river, in Preston township, Wayne Co., named for Samuel Preston, the pioneer settler of that part of the valley. The settlement was made in the interests of Robert Morris, the financier of the Revolution, and other noted Pennsylvanians, who had purchased immense tracts of wild land in that part of the State.)

HANCOCK, DELAWARE CO., N. Y. From New York, 164 miles; Port Jervis, 76; Susquehanna, 28; Buffalo, 261; Dunkirk, 296. At junction of East and West branches of Delaware, forming the main stream. Formerly great lumber and tanning centre and gathering place of raftmen, and home of heavy lumber operators and timber-land owners. Population, 1898, 1,200. Churches, schools, newspaper, 3 hotels. Bluestone quarrying. Milk. Scranton Division of New York, Ontario and Western Railroad crosses Delaware to main line of that railroad.

(HALE'S EDDY, DELAWARE CO., N. Y., hamlet, midway between Hancock and Deposit.)

DEPOSIT, DELAWARE CO., N. Y. From New York, 177 miles; Port Jervis, 89; Susquehanna, 15; Buffalo, 248; Dunkirk, 283. Old settlement, originally known as Cookaus. Created by the lumber and tanning business. Last Erie station in Delaware Valley. Historic as point where first ground was broken for grading of Erie, 1835 ("Administration James Gore King," pages 36, 37). Growth due to railroad. Population, 1898, 1,800. 6 churches, 1 school, 2 newspapers, 1 bank, 7 hotels. Large dairy interests. Extensive milk condensery. Bluestone. Pearl button, malleable iron, hand-sled manufactories. Paul Devereaux Hospital.

(OQUAGA, GULF SUMMIT, midway between Deposit

and Susquehanna. Creameries, and milk and bluestone shipping points.)

#### SUSQUEHANNA DIVISION.

SUSQUEHANNA, PA. From New York, 192 miles; Buffalo, 233; Dunkirk, 268. Population, 4,000. Settled in 1830; incorporated in 1853; 6 churches, 2 schools, 2 newspapers, 2 banks, 9 hotels. Terminus of the Delaware and the Susquehanna divisions. The great Erie machine and repair shops are located here. They were established in 1864, and employ 1,000 hands. Agricultural and manufacturing community. Steamboat on the Susquehanna River. Electric lights and gravity system of water-works. Among the mountains of northeastern Pennsylvania.

GREAT BEND, SUSQUEHANNA CO., PA. From New York, 201 miles; Dunkirk, 259; Buffalo, 224. Settled, 1787; incorporated, 1861. Population, 1,200. Agricultural and manufacturing. Tannery, silk mill, creamery, broom factory; 3 churches, 1 school, 1 newspaper, 3 hotels. Joseph Smith, the Mormon prophet, was born near Great Bend. Electric lights, fire department.

(KIRKWOOD, small station named for former Superintendent James P. Kirkwood.)

BINGHAMTON, BROOME CO., N. Y. From New York, 216 miles; Buffalo, 209; Dunkirk, 244. Settled in 1800; incorporated as a city in 1867. Erie opened January 8, 1849. Population then, 2,100. Population, 1898 40,000. Manufacturing. Extensive cigar, shoe, wagon, and other factories; breweries, tanneries, pulp mill, etc.; 40 churches, 19 schools, 7 newspapers, 35 hotels, 6 banks (2 savings), State Hospital for the Insane, St. Mary's Home, Susquehanna Valley Home, Commercial Travellers' Home (now building). Birthplace of Major-General John C. Robinson. United States Senator Daniel S. Dickinson had his home and was buried here. Junction of the Chenango and Susquehanna rivers. Also on Albany and Susquehanna, and Delaware, Lackawanna and Western railroads. The site of Binghamton was a wilderness when certain land-holders in the Southern Tier, having obtained State aid to extend the Cochecton and Great Bend Turnpike from the latter place to Bath, N. Y., its course was laid through this part of Broome County. Leave was obtained from the Legislature to build a toll-bridge across the Chenango River, and its site was selected at what was known as the lower ferry. The importance of the location led Joshua Whitney and other residents of Chenango village, two miles above the present city of Binghamton, to make a clearing for a settlement which they called Binghamton. This clearing occupied much of the present business site of the city.

(HOOPER AND UNION, BROOME CO.; AND CAMPVILLE, Tioga Co., N. Y., flourishing centres of agricultural and manufacturing communities; in Chemung dairy region.)

OWEGO, Tioga Co., N. Y. From New York, 237 miles; Dunkirk, 223; Buffalo, 188. Settled early in the century; original Indian name of region, Ah-wa-ga. Incorporated

village. Population, 9,000. 7 churches; graded schools; 3 newspapers; 2 banks; 4 hotels. At junction of Owego Creek and Susquehanna River. Manufacturing and agricultural. Centre of famous dairy region. Owego was the birthplace of the Erie, the convention which led to the chartering of the Company having been held there, December 20, 1831. (See pages 11-14.) County seat of Tioga County. Birthplace of the noted politician, Hon. Thomas C. Platt, United States Senator. John D. Rockefeller, the great Standard Oil Company magnate, was born near, and got his early education at, Owego. Once the home of N. P. Willis, the poet. No place in the Southern Tier has wielded nor does wield a greater influence in affairs of the State than Owego. Terminus of the second railroad chartered in New York—the Ithaca and Owego Railroad, now Cayuga Division of the D., L. and W. Electric lights, gas. Famous for its fire department. Trade centre for wide and rich surrounding territory.

(TIOGA CENTRE, SMITHBORO, AND BARTON, TIOGA Co., N. Y., in the Chemung dairy region; thrifty villages.)

WAVERLY, TIOGA Co., N. Y. From New York, 256 miles; Buffalo, 169; Dunkirk, 204. Settled, 1808; incorporated, 1853. Agricultural and manufacturing. 5 churches, 5 schools, 2 newspapers, 2 banks, 9 hotels. Electric lights and railway. Waverly extends across the Pennsylvania State line. When the Erie was opened in 1851, the present thriving village was a hamlet known as Factoryville. The place owes its rise and prosperity entirely to the railroad. Also on Delaware, Lackawanna and Western and Lehigh Valley railroads. Electric railroad connecting with Sayre, Pa., and other railroads.

(CHEMUNG, WELLSBURG, AND SOUTHPORT, CHEMUNG Co., N. Y. Thriving suburbs of Waverly and Elmira. Centres of rich farming community.)

ELMIRA, CHEMUNG Co., N. Y. From New York, 274 miles; Buffalo, 151; Dunkirk, 186. Settled in 1784; incorporated as village, 1828; as city, 1864. Erie opened, October 1, 1849. Population then, 3,000. Population, 1898, estimated at 45,000. Manufacturing. Fire-engines, bicycles, boots and shoes, glass, silk, cigars, portable and stationary engines, brass goods, etc.; 40 churches, 20 schools, 6 newspapers, 15 hotels, 3 banks, State Reformatory, State Armory. Arnot-Ogden Memorial Hospital. Female College, first one founded in the United States. Home of ex-Governor Lucius Robinson. Residence of ex-Governor and ex-United States Senator David B. Hill. Summer home of Mark Twain, who married Miss Langdon of Elmira. During the Civil War the barracks, where thousands of Confederate prisoners were confined, were located here. During the Revolutionary War the battle of Baldwin's Creek was fought near Elmira, between the American troops under Gen. Sullivan, and the Indians and Tories under Brant and Col. Butler. An appropriate monument marks the site of this battle, which was a decisive one in Sullivan's campaign against the Indians. Erie, Tioga Division of Erie, Delaware, Lackawanna and Western, Northern Central, Utica, Ithaca and Elmira, and Lehigh Valley

railroads. Electric street railroads, and to North Elmira and other suburbs. Gas and electric lights. Capital of Chemung County.

NORTH ELMIRA, CHEMUNG Co., N. Y. From New York, 278 miles; Buffalo, 147; Dunkirk, 182. Station for the village of Horseheads, which was settled in 1789; incorporated, 1837. Population, 2,500. Agricultural and manufacturing; 5 churches, Union Free High School, 1 newspaper, 1 bank, 3 hotels. The location of the camp of Gen. Sullivan here in 1779, and the slaying of a number of his worn-out horses, and the finding of their bones by the first settlers, is alleged as the origin of the name of Horseheads for the village. Electric street railway to Elmira. Also on Delaware, Lackawanna and Western, Northern Central, and Lehigh Valley railroads.

(BIG FLATS, CHEMUNG Co., N. Y., near the Steuben County line, is the centre of the great tobacco growing region of the Chemung Valley.)

CORNING, STEUBEN Co., N. Y. From New York, 291 miles; Buffalo, 134; Dunkirk, 169. Settled, 1830; named for Erastus Corning, one of its founders; incorporated as village, 1851; city, 1886. Erie opened, January 1, 1850. Population then, 1,200. Population, 1898, 10,000. Manufacturing and agricultural. Flint-glass works, glass-cutting factory, stove and furnace works; 14 churches, 4 schools, 2 newspapers, 6 hotels, 2 banks, 1 savings and loan association. Half-shire town of Steuben County. Terminus of the Rochester Division. Electric railroad, electric lights. Also on Delaware, Lackawanna and Western and Fall Brook railroads.

(For Painted Post, see Rochester Division.)

ADDISON, STEUBEN Co., N. Y. From New York, 302 miles; from Buffalo, 123; from Dunkirk, 158. Settled early in the century. Population, 2,100. Agricultural and manufacturing. 6 churches; 2 newspapers; 1 bank; 2 hotels; 2 schools. At the mouth of Tuscarora Creek. Formerly a prominent lumbering centre in the days of rafting on the Susquehanna waters; originally named Tuscarora from the Indian name of the creek. Outlet of the tobacco region of Tioga County, Pa. Addison and Pennsylvania Railroad, now property of Buffalo and Susquehanna Railroad Company, extends from Addison to Galeton, Pa.

(RATHBONEVILLE, CAMERON MILLS, CAMERON, AND ADRIAN, STEUBEN Co., N. Y. Thriving centres of a farming and lumbering region, between Addison and Canisteo.)

CANISTEO, STEUBEN Co., N. Y. From New York, 328 miles; Buffalo, 97; Dunkirk, 132. Settled, 1798. Incorporated, 1873. Population, 2,200. Agricultural and manufacturing. Silk, lace, button, veneering, and other factories; 2 tanneries; creamery; 5 churches; 1 school; 2 newspapers; 1 bank; 4 hotels; free library. Academy with a staff of thirteen teachers. Fire department; gravity water-works. Outlet for the lumbering and mining country of northern Pennsylvania. In the days of rafting and lumbering Canisteo was the most important point in that valley.

## ALLEGANY (FORMERLY WESTERN) DIVISION.

**HORNELLSVILLE**, STEUBEN CO., N. Y. From New York, 332 miles; Buffalo, 93; Dunkirk, 128. Settled, 1798, by George Homell, who owned the entire township. Incorporated as a village, 1852; as a city, 1888. Erie opened September 3, 1850. Population then, 900. Population now, 13,000. Agricultural and manufacturing; silk, glass, shoe, and other factories. 11 churches; 4 newspapers (2 daily); 5 schools; 2 banks; 6 hotels; sanitarium. Hornellsville is essentially a creation of the Erie. It is at junction of the Canadea Creek and the Canisteo River; 3 divisions of the Erie end and begin here: the Susquehanna, the Buffalo, and the Allegany, formerly the Western. Also on Central New York and Western Railroad.

(ALMOND), ALFRED, ANDOVER, ALLEGANY CO., N. Y. Miles from New York, 337, 341, 350; Hornellsville, 5, 9, 18; Dunkirk, 123, 119, 110, respectively. Old settlements—Almond, 1796; Alfred, 1807; Andover, 1824. Agricultural and local industries; mills; creamery. Almond—3 churches; 1 school; 2 hotels. Population, 1,500. Alfred (originally Baker's Bridge) is the station for Alfred Centre, 2 miles. 2 churches; 2 schools; 2 newspapers; 2 hotels—no license; 9 cheese factories in the locality. Alfred University (Seventh Day Baptist). In one respect this pretty village, in the heart of the rich farming region of Allegany County, is the oddest town in the State. At sundown every Friday evening work of every kind and description ceases. Saturday is the Sabbath of the people hereabout, and the early Puritans of New England observed their Sabbath with no more severe reverence. When the sun sets on Saturday the village springs into busy life again. Stores are opened, promenaders appear, worldly affairs are resumed. Andover—Incorporated, 1893. Population, 1,000. 5 churches; 1 school; 1 newspaper; 4 hotels; cheese factories.)

**WELLSVILLE**, ALLEGANY CO., N. Y. From New York, 359 miles; Hornellsville, 27; Dunkirk, 102. Incorporated village, 1872. Population, 5,000. Agricultural and manufacturing. 9 churches; schools; 2 newspapers; 6 hotels; 2 banks; free library; machine works; leather and furniture factories; tanning. Formerly Genesee station. Outlet and inlet for all the region for 50 miles south in the lumber regions of Potter County for 25 years after coming of Erie. Also on Buffalo and Susquehanna Railroad from Coudersport, Pa.

(SCIO, ALLEGANY CO., N. Y. From Hornellsville, 30 miles; Dunkirk, 98. Agricultural.)

**BELMONT**, ALLEGANY CO., N. Y. From New York, 366 miles; Hornellsville, 34; Dunkirk, 95. Settled, 1816. Incorporated, 1856. County seat. Agricultural and manufacturing. 6 churches; 1 school; 2 newspapers; 2 hotels; 1 bank; free library; county buildings. Was in the great pine belt of western New York; lumbering until 1856. Mill; machinery works; pail factory.

**BELVIDERE**, ALLEGANY CO., N. Y. From Hornellsville, 38 miles; Dunkirk, 90. Takes name from the late

Philip Church's historic residence. Former station for Belfast, Oramel, Angelica. Agricultural.

**FRIENDSHIP**, ALLEGANY CO., N. Y. From New York, 374 miles; Hornellsville, 42; Dunkirk, 86. Settled, 1807. Incorporated village, 1852. Population, 1898, 1,800. Agricultural and industrial. 6 churches; 1 school; 1 newspaper; 1 hotel; 2 banks. Important shipping point for dairy products, hay, grain, potatoes, live stock. Sash, door, and blind factories; stove company. Prosperous and growing.

**CUBA**, ALLEGANY CO., N. Y. From New York, 383 miles; Hornellsville, 51; Dunkirk, 77. Agricultural. Population, 1,400. 4 churches; 2 schools; 2 hotels; 1 bank. The last spike in the construction of the Erie was driven at Cuba, April 21, 1851, by Silas Seymour, engineer in charge of that division. Cuba was the terminus of the Erie for five months pending the completion of the road from Dunkirk east. After the close of the War of 1812, emigration became extensive from the Eastern States to Ohio. The direct route from the Hudson to the Allegany through New York State was from Albany to Utica, then to Canandaigua, and from that point to Angelica, or Cuba, thence to Olean Point, from which the Allegany River conveyed them to the Ohio. Oil Creek, a tributary of the Allegany River, rising in the historical oil spring near Cuba, was preferred by the emigrants to the wretched roads. They would come to Cuba in the fall or in the spring, where they would wait for the first freshet in the creek. To accommodate them, boats of logs and planks, 16 to 24 feet long, were made by local builders at Cuba, and sold for from \$30 to \$50 each. These boats would carry five persons each with their goods, and the emigrant would make the trip to the Allegany at Olean Point, and thence down the river.

(HINSDALE, CATTARAUGUS CO., N. Y., between Cuba and Olean. An old village, a relic of the Genesee Canal, now long since departed.)

**OLEAN**, CATTARAUGUS CO., N. Y. From New York, 396 miles; Dunkirk, 64 miles. Settled, 1803. Incorporated as a city, 1892. Erie opened, May 14, 1851. Population then, 1,000; population, 1898, 15,000. 12 churches; 8 schools; 4 newspapers; 2 banks; 10 hotels; free library; State armory. Acid, barrel, spring-beds, boilers, engines, glue, glassware, horseshoes, hubs, leather, mill machinery, oils, oil-well supply, soap, shoe-findings, stump machines, shirts, tanners' supplies, wagon, and many other factories. Olean is the largest petroleum storage-place in the world. The Standard Oil Company has scores of immense iron tanks here. From Olean the crude petroleum is started to the seaboard through the iron pipes that carry it to the refineries, a great part of the way along the route of the Erie.

**ALLEGANY**, CATTARAUGUS CO., N. Y. From New York, 399 miles; Dunkirk, 60. Came into existence with the Erie. The original route of the Erie ran two miles south of its present location, and there a city had been plotted, believing that the railroad would bring to it great importance. The change in the route, however, destroyed that hope. The present village of Allegany sprang up instead. Population,

1,500. Seat of a Franciscan college and convent and of St. Elizabeth's Academy under the charge of the Sisters of St. Francis. Four miles beyond Allegany the Indian Reservation begins.

(VANDALIA, CARROLLTON, AND GREAT VALLEY, CATTARAUGUS CO., N. Y. Stations between Allegany and Salamanca. Carrollton, junction of the Bradford Division. Great Valley, originally Killbuck station. Centre of an extensive lumbering business.)

SALAMANCA, CATTARAUGUS CO., N. Y. From New York, 415 miles; Dunkirk, 45. Settled, 1865; incorporated, 1878. Population, 5,000. Manufacturing and railroad centre. 7 churches; 5 schools; 3 newspapers; 12 hotels; 2 banks; hospital; building and loan association; library; gymnasium. Named by James McHenry for the Marquis of Salamanca, Spain, a liberal contributor to the building of the Atlantic and Great Western Railroad. Salamanca is built entirely on the lands of the Indian Reservation, which are held under enabling Congressional legislation by long tenure of leasehold. Salamanca came into existence with the building of the Atlantic and Great Western Railroad, now the Nypano Division of the Erie, which has its eastern terminus at this point. At that time the site of the present Salamanca was a tangled swamp. The settlement was a mile west of the present station, and known as Bucktooth, now West Salamanca. The first settlers in Salamanca were greatly hampered by the difficulty of securing satisfactory leases of ground to build upon, because of the lack of legal authority vested in the Indian proprietors to make them. After a long effort legislation was at last obtained doing away to a great extent with this difficulty, but it was not until a few years ago that the present beneficial legislation was procured through which the citizens were warranted in making such improvements as the importance and steady growth of the place demanded. Besides the Erie and its system, Salamanca is on the Buffalo, Rochester and Pittsburg and Western New York and Pennsylvania railroads.

LITTLE VALLEY, CATTARAUGUS CO., N. Y. From New York, 421 miles; from Dunkirk, 39. Settled early in the century. Population, 1,000. Became the county seat in 1868. Cattaraugus County Fair Grounds; 3 churches, 2 schools. Centre of rich dairy country.

(CATTARAUGUS, DAYTON, PERRYSBURG, CATTARAUGUS CO., N. Y.; SMITH'S MILLS AND FORESTVILLE, CHAUTAUQUA CO., N. Y. Original Erie stations and old villages on the elevated land between Little Valley and Dunkirk. At Dayton the Buffalo and Southwestern Division from Jamestown and Chautauqua Lake to Buffalo connects with main line. All these stations are thriving centres of the great Chautauqua and Cattaraugus dairy regions.)

DUNKIRK, CHAUTAUQUA CO., N. Y. From New York, 460 miles. Settled in 1810. Called Chadwick's Bay, after the original settler, Solomon Chadwick. The land now occupied by Dunkirk originally belonged to De Witt Clinton and Isaiah and John Thompson. In 1817 Walter Smith bought half for \$10,000. In 1837 he sold it to New York men for

double the price, and bought the other half for \$7,000, and purchased 600 acres more. In 1838 he divided it into shares. One-quarter of it was to have been donated to the Erie if the railroad was completed in 1842. Dunkirk, incorporated a village in 1837. Population, 1898, 14,000. Manufacturing. 14 churches; 9 schools; 5 newspapers; 2 banks; 17 hotels. Young Men's Christian Association and Free Library. Port of entry on Lake Erie. Legal western terminus of the Erie. Electric railroads, electric lights. Extensive shops of the Erie were here until 1868; then abandoned and became the Brooks Locomotive Works. Besides the Erie, the Lake Shore and Michigan Southern, New York, Chicago and St. Louis, Dunkirk, Allegany Valley and Pittsburg, and Western New York and Pennsylvania railroads run through or terminate at Dunkirk.

#### BUFFALO DIVISION.

(*From Hornellsville; see Allegany Division.*)

ARKPORT, STEUBEN CO., N. Y.; BERNE, CANASE-RAGA, GARWOODS, AND SWAINS, ALLEGANY CO., N. Y.; DALTON, HUNTS, AND PORTAGE, LIVINGSTON CO., N. Y.; CASTILE AND SILVER SPRINGS, WYOMING CO., N. Y. Thrifty villages between Hornellsville and Warsaw. Dalton is the station for Nunda, a village of 1,000 population. At Portage is the great Erie Railroad bridge across the Genesee River at the Portage Falls. Silver Springs is the station to Silver Lake.

WARSAW, WYOMING CO., N. Y. From New York, 375 miles; Buffalo, 48. Settled, 1803. Incorporated, 1843. Population, 3,000. Agricultural and manufacturing. On the Great Wyoming Salt Belt, some of the finest wells being here and in the vicinity. 7 churches; high school; 2 newspapers; 2 banks; 5 hotels. Also on the Rochester and Pittsburg Railroad.

(GALE, WYOMING CO., N. Y.; LINDEN, GENESEE CO., N. Y. Small places between Warsaw and Attica, in an agricultural region.)

ATTICA, WYOMING CO., N. Y. From New York, 392 miles; Buffalo, 31. Settled early in century. Incorporated, 1837. Population, 2,000. 5 churches; 1 newspaper; union school; 1 bank. At the junction of the Rochester and Buffalo divisions, forming a single line to Buffalo. Also on a branch of the New York Central.

(GRISWOLD AND DARIEN, GENESEE CO., N. Y.; ALDEN, TOWN LINE, LANCASTER, CHEEKTOWAGA, ERIE CO., N. Y. Neat and thriving villages between Attica and Buffalo.)

BUFFALO, ERIE CO., N. Y. From New York, 425 miles. Village laid out by Holland Land Company in 1801. In 1812 it was burned by the British. Congress voted \$80,000 to compensate for the loss. Incorporated a city, April, 1832. Black Rock included in city limits, 1852, and new city charter went in force January 1, 1854. Population then, 45,000. Population, 1898, 300,000. Port of entry. Seat of justice of Erie County. Western terminus of Erie

Canal. Water-front of 5 miles:  $2\frac{1}{2}$  on Lake Erie,  $2\frac{1}{2}$  on Niagara River. Lake-front gradually rises to an extended plain, 50 feet above the water. Portion of river-front a bold bluff, 60 feet above the water. City handsomely built. Streets broad and straight. Where the waters of the lake merge in the Niagara River, Buffalo Creek enters the lake from the east and the Erie Canal from the northwest. Over 100 miles of asphalt streets. 15 parks, one of 442 acres. Claims to be the cleanest, best-lighted, and healthiest city in the United States. Water supply obtained from Niagara River through a tunnel extending nearly to the middle of the river. Gas and electric lighting; natural gas for fuel. Electric street railways. Public buildings include custom-house, post-office, State arsenal, State armory, city and county hall and jail, general hospital, insane asylum, four orphan asylums. Several private hospitals and asylums under church care. 167 churches; State Normal School; 50 public schools; 2 medical colleges; Buffalo Library; Grosvenor Library. 7 English and 3 German dailies, and 20 weekly newspapers. Board of Trade organized in 1844; incorporated in 1857. Merchants' Exchange. Preëminent in the grain trade: 40 elevators, with storage capacity of 20,000,000 bushels; transportation facility, 4,000,000 bushels a day. First elevator built in 1843 by Joseph Dart. In live-stock trade, second only to Chicago. In steel and iron, ranks next to Pittsburg, having nearly 2,000 manufactories. Annual lumber trade, 400,000,000 feet. Greatest Eastern railroad centre: Erie and branches, New York Central, Lake Shore system, Michigan Central, Grand Trunk, West Shore, Delaware, Lackawanna and Western, Lehigh Valley, Buffalo, Rochester and Pittsburg, Western New York and Pennsylvania, and numerous local railroads.

#### ROCHESTER DIVISION.

(From Corning; see *Susquehanna Division*.)

PAINTED POST, STEUBEN Co., N. Y. From New York, 293 miles; Dunkirk, 167; Buffalo, 132; Rochester, 93. Settled, 1786. Incorporated, 1893. Population, 1,000. Agricultural and manufacturing. On the Chemung tobacco belt. 3 churches; 1 school; 1 hotel; 1 bank. The Seneca chief, Montour, mortally wounded at the battle of Hogback, August 29, 1779, died here. A bronze statue of an Indian is erected in the public square commemorating the event. Junction of main line of Erie.

(COOPERS, CURTIS, CAMPBELL, AND SAVONA, STEUBEN Co., N. Y. Thriving agricultural villages.)

BATH, STEUBEN Co., N. Y. From New York, 311 miles; Rochester, 74. Settled, 1793; incorporated, 1816. Population, 3,000. Agricultural and manufacturing. 6 churches; 1 school; 3 newspapers; 6 hotels; 2 banks. New York Sailors' and Soldiers' Home; Davenport Orphan Asylum. State fish hatchery near by. Admiral Howell, United States Navy, was born here. Bath was intended by its projectors to be the metropolis of the West. It was the headquarters of the Pult-

ney estate, the proprietor of which was Sir William Pultney of England. His agent, Charles Williamson, founded the place. There was a theatre, a race-course, and a newspaper here as early as 1796. Steuben County fair-grounds, property of one of the oldest agricultural societies in the State, are here. Also on Delaware, Lackawanna and Western, and Bath and Hammondsport railroads, the latter one of the first railroads incorporated in the State of New York, having been chartered in 1831, under the name of the Bath and Crooked Lake Railroad. No railroad was built, however, until 1875, when the present Bath and Hammondsport Railroad was built as a three-foot gauge. It was made standard gauge in July, 1889.

(KANONA, AVOCA, WALLACE'S, STEUBEN Co., N. Y. Attractive villages in a picturesque region.)

COHOCTON, STEUBEN Co., N. Y. From New York, 326 miles; Rochester, 59. Population, 1,200. Formerly great lumber centre. Agricultural and manufacturing. 6 churches; union free school; circulating library; 2 newspapers; opera-house; 5 hotels; agricultural society and fair-grounds; water-works. Also on main line of Delaware, Lackawanna and Western Railroad.

(BLOOD'S, WAYLAND, STEUBEN Co.; SPRINGWATER, WEBSTER, CONESUS, SOUTH LIVONIA, LIVONIA, AND HAMILTON, LIVINGSTON Co. Stations for thrifty villages in a garden spot of Western New York.)

AVON, LIVINGSTON Co., N. Y. From New York, 367 miles; Rochester, 18. Population, 1,600. Farming community. 4 churches; 1 high school; 1 parish school; 1 newspaper; 2 banks; electric lights; natural gas belt; superior fire department; gravity water system; sewerage; cement sidewalks; telephone, local and long distance; village park; soldiers' monument; opera-house; race-track. Famous health resort. Mineral springs; large hotels and sanitariums. A place of refinement and culture in the Genesee Valley. Junction of Rochester, Buffalo, and Mount Morris branches of the Erie. The sulphur springs here were known and used by the Indians long before the first white settlers came in the Genesee Valley. Two hundred years ago De Nouville, the French explorer, fought a fierce battle with the Indians on the present site of Avon. General Sullivan, in 1779, also invaded the valley at this point, and drove the Indians from it forever.

(RUSH, SCOTTSVILLE, HENRIETTA, AND RED CREEK, MONROE Co., N. Y., are bustling stations between Avon and Rochester. Scottsville has 3 churches, a union school, and extensive mills a mile and a half west of the station.)

ROCHESTER, MONROE Co., N. Y. From New York, 386 miles. First settler came in 1788, but first actual settlement began in 1810, made by Col. Nathaniel Rochester. Incorporated as village of Rochesterville, 1817; as city of Rochester, 1834. Population in 1817, 600; in 1834, 11,000; 1898, estimated, 175,000. Port of entry. Genesee River flows through centre of city. Unexcelled water-power; river falls 226 feet within 3 miles; 3 perpendicular falls, 96, 26, and 84

feet high. City covers area of 18 miles. Manufacturing. 90 churches; high school; 16 ward schools; Rochester University (1846), Theological Seminary (1850), both Baptist. 6 national banks; 4 savings banks; 6 private banks; 7 daily, 16 weekly, 1 tri-weekly newspapers; 15 monthlies. Children's Home, Old Woman's Home, State Industrial School. Hospitals and libraries. Famous for its great milling industry (once called the "Flour City") and for its nurseries of fruit trees and plants, and for flower and garden seed growing. 16 flour mills, manufacturing 3,000,000 bushels of wheat annually. Largest carriage factory in United States. Annual manufacture of boots and shoes and clothing, \$20,000,000. Rubber goods, furniture, steam engines, agricultural machinery, tobacco, cigars, blast furnaces, breweries, iron bridge works. Erie Canal crosses Genesee River by cut-stone aqueduct, 848 feet long, 45 feet wide, supported by 9 arches. The architecture of Rochester is beautiful, imposing, costly. Wide, shaded streets, crossing at right angles. Electric railroads with all neighboring towns. Lake Ontario, 7 miles. Two water supplies: Hemlock Lake, 29 miles distant, elevation 400 feet, and Genesee River (Holly system). Paid fire department. Noted buildings: Powers Block and the Arcade. "Spirit rappings" had their origin here, with the Fox sisters, in 1850. Erie, New York Central, Western New York and Pennsylvania, Pittsburg, Buffalo and Rochester, and local railroads.

#### NEWBURGH SHORT CUT AND BRANCH.

CENTRAL VALLEY, HIGHLAND MILLS, WOODBURY, HOUGHTON FARM, MOUNTAINVILLE, CORNWALL, NEW WINDSOR, ORANGE CO., N. Y. *Along Newburgh Short Cut, from Turner's, N. Y.; see New York Division.* Villages among the Hudson Highlands. Dairy farming, manufacturing, fruit-growing, stock-raising. Important as summer resorts. New Windsor settlements early in last century. Revolutionary association. The El-lison House, built in 1735, where Washington had his headquarters, is still standing. Society of the Cincinnati had its origin at New Windsor, in the "Temple of Virtue," a large frame building erected by order of Gen. Washington in 1782.

NEWBURGH, ORANGE CO., N. Y. From New York, 63 miles. Settled 1719, by Palatines from the Palatinate of Newburgh, Germany. A church settlement originally. Incorporated as village, 1800; as city, 1865. Estimated population, 1898, 25,000. One of the capitals of Orange County. Situated on the plateau and high hills overlooking Newburgh Bay. Manufacturing, and centre of great dairy and fruit region. Coal storage depot and shipping point of Pennsylvania Coal Company. Shipyards, cotton and woollen factories. 32 churches; free academy; 5 grammar schools; private boarding schools; public library; children's home; Home for the Friendless; State armory; Academy of Music; 4 daily, 5 weekly newspapers; 3 banks; 5 hotels. Rich in Revolutionary associations. Seat of military operations was in

the Highlands, in 1782-83. Washington's headquarters in the Hasbrouck Mansion, built in 1750, and still standing in the condition it was left when the army was disbanded, June 23, 1783. Here Washington matured the plans which led to the final triumph of the American army. Newburgh particularly belongs to the history of Erie. ("Third Administration of Eleazar Lord," pages 76-84.) Also on West Shore Railroad, Albany and Troy lines of Hudson River steamboats. Ferry to Fishkill Landing (New York Central Railroad connection). Electric street railways and to suburbs. Electric and gas lighting. Hospital.

CRAIGVILLE, BLOOMING GROVE, WASHINGTONVILLE, SALISBURY MILLS, VAIL'S GATE, ORANGE CO., N. Y. *Along Newburgh Branch, from Greycourt, N. Y.; see New York Division.* In the historic-valley of the Murdererskill. All ancient settlements. Dairy farming, manufacturing, fruit-growing, stock-raising. Famous summer resorts. At Vail's Gate, the Edmoston House, built in 1755, still standing, was the headquarters of Gen. St. Clair and Gen. Gates. At Washington Square Gen. Clinton's headquarters were in the Falls House, still intact.

#### HONESDALE BRANCH.

(*From Lackawaxen, Pa.; see Delaware Division.*)

HAWLEY, WAYNE CO., PA. From New York, 126 miles. Came into existence with the Pennsylvania Coal Company. Original settlement called Paupack Eddy. For years terminus of the Pennsylvania Coal Company's gravity railroad connecting the mines of that company with the Delaware and Hudson Canal, and later with the Hawley Branch of the Erie. Gravity railroad was replaced by the Erie and Wyoming Railroad in 1881. Population, 2,000. Incorporated, 1882. Manufacturing. Silk mills, glass-cutting works, and glass factory; bluestone works. 4 churches; graded school; 1 newspaper; 1 bank; 4 hotels.

(WHITE MILLS, WAYNE CO., PA., a neat village, owing its existence and sustenance to the famous Dorffinger glass-cutting works.)

HONESDALE, WAYNE CO., PA. From New York, 135 miles. First settlement, 1823. Came into existence with the Delaware and Hudson Canal and its gravity railroad in 1826. Incorporated, 1831. County seat. Farming, dairy, and manufacturing. Population, including part outside of corporation limits, 6,000. Agricultural and manufacturing. 7 churches; 1 synagogue; graded school; 2 weekly, 1 semi-weekly newspapers; 1 national bank; 1 savings bank; 5 hotels. The first locomotive that turned a wheel on the American continent was run at Honesdale on the Delaware and Hudson Canal Company's track, August 9, 1829, by Horatio Allen, who years afterward was President of the Erie. Jennie Brownscombe, the noted artist, and Homer Green, the author and poet, are residents of Honesdale. The lofty cliff rising east of Honesdale, known as Irving Cliff, was named by Washington Irving. John Jacob Astor, Philip Hone, and other distinguished New York men visited Honesdale on the

opening of the canal, and climbed to the summit of the cliff. Honesdale was named for Philip Hone, an old-time mayor of New York City and a patron of the canal. Silk mill, glass-cutting works, iron foundry, woollen mills. Coal storage and shipping point of Delaware and Hudson and Erie.

#### JEFFERSON DIVISION.

(*From Susquehanna, Pa.; see Susquehanna Division.*)

FOREST CITY, SUSQUEHANNA CO., PA. From Susquehanna, 32 miles. Northern boundary of Lackawanna coal field. Settlement due to discovery of coal. Incorporated as borough, 1888. Population, estimated, 5,000. Coal mining. Erie's coal mine property hereabout. 8 churches, 1 graded school, 1 newspaper, 1 bank, 4 hotels.

CARBONDALE, LACKAWANNA CO., PA. From Susquehanna, 39 miles. Settled, 1827, by beginning of coal mining by Delaware and Hudson Coal Company. Pioneer city of Northeastern Pennsylvania. Incorporated, 1850. Coal mining and manufacturing. Silk mill, iron foundry, machinery. First coal marketed to tidewater on the Hudson mined here. 8 churches, 16 schools, 2 newspapers, 2 banks, 6 hotels. Free library; emergency hospital; opera-house. First great mine disaster here in 1845; 16 persons buried by falling roof of original mine. Gas and electric lighting. On Pennsylvania Division of Delaware and Hudson Railroad and western terminus of Delaware and Hudson Gravity Railroad.

Other stations on this division, small farming, lumbering, or mining centres. Lanesboro, Susquehanna Co., Pa.; Starrucca, Wayne Co., Pa.; Herrick Centre, Susquehanna Co., Pa., are old settlements. Starrucca once important in tanning industry. Herrick Centre, Uniondale, Stillwater, Thompson, agricultural. Lanesboro, legal terminus of Jefferson Railroad. Hallenback's and West Carbondale, mining and lumber.

#### BRADFORD DIVISION.

(*From Carrollton, N. Y.; see Allegany Division.*)

BRADFORD, MCKEAN CO., PA. From New York, 419 miles; Buffalo, 97; Dunkirk, 63. Settled early. Originally Littleton, a lumbering hamlet. City had its rise in the discovery of petroleum. First practical development of the territory, 1875. For many years the oil-producing centre of the world, the region producing 25,000 barrels a day. Manufacturing. In a vast coal and lumber region. ("The Building of It," pages 366-367.) Population, 1898, 14,000. 18 churches; 2 synagogues; 3 daily, 3 weekly newspapers; 3 banks; 23 hotels; 3 oil refineries; 6 oil-well supply firms; 3 pipe lines; 47 miscellaneous manufactories; paved streets; electric lights and railways; gravity water system; natural gas; 2 parks; 7 schools; 1 high school; 2 parochial schools; hook and ladder company, and 6 hose companies. Electric railways to Olean and Rock City.

Besides Bradford, the oil business called into importance the stations of Limestone, Babcock, Kendal, De Golia,

Lewis Run, Big Shanty, Crawford's, Alton, and Buttsville, along this division of Erie.

#### NIAGARA FALLS BRANCH.

(*From Buffalo.*)

TONAWANDA, ERIE CO., N. Y. From New York, 432 miles; Buffalo, 13. Early settlement. Population, 7,500. Lumber-trade centre and manufacturing. On Niagara River and at mouth of Tonawanda Creek. Opposite Grand Island. 11 churches; high school; 7 district schools; 2 newspapers; 2 banks. Terminus of Lockport Branch. Also on Canandaigua and Niagara Falls Branch of New York Central Railroad.

NIAGARA FALLS, NIAGARA CO., N. Y. From New York, 442 miles; Buffalo, 24. Settled, 1806. Incorporated as village, 1847; as city, March 17, 1892. Population, 22,000. Manufacturing. Greatest chemical manufacturing city in the world. Greatest electrical centre in the United States; the Niagara Falls Power Company developing nearly 50,000 horse-power, the Niagara Falls Hydraulic Power and Manufacturing Company developing 30,000 horse-power. 15 churches; 13 schools; 4 newspapers; 34 hotels; 6 banks; public library; Memorial Hospital. Many of the battles of the French and Indian War were fought along the Niagara River. At Youngstown the French made their last stand against the British. Descriptions of the grandeur of the great cataract that gives this place its name are household words.

#### LOCKPORT BRANCH.

(*From Tonawanda.*)

LOCKPORT, NIAGARA CO., N. Y. From New York, 460 miles; Buffalo, 25. Settled, 1810. Incorporated as a village, 1836; as a city, 1868. Population, 20,000. On the rich fruit belt of western New York. Manufacturing. 16 churches; 9 schools, including first union school in the State; 3 daily, 3 semi-weekly, 1 weekly, and 2 monthly newspapers; 4 banks; opera-house. Brick, asphalt, and stone streets; electric lights, electric railroad to Buffalo and Lake Ontario. Water and electric power. 5 hose companies, 1 hook and ladder company. Home of the Holly Water Works system. Upwards of 25 large manufactories of every variety of goods, machinery, and supplies. 20 miles of sewers. Lockport shipments of fruit in 1896 were equivalent to 1,200,000 barrels. Municipal hall, court-house, and jail. County seat of Niagara County. Lockport is named from having in its limits 10 locks on the Erie Canal, largest in the State. Governor Washington Hunt was born here.

#### BUFFALO BRANCH OF ROCHESTER DIVISION.

(*From Avon; see Rochester Division.*)

CALEDONIA, LIVINGSTON CO., N. Y. From New York, 374 miles; Rochester, 25; Buffalo, 59. Settled, 1805; incorporated, 1890. Population, 1,100. Agricultural. 4 churches;

1 school; 1 newspaper; 2 banks; 2 hotels; Ladies' Library Association. Birthplace of the late United States Senator Angus Cameron. Originally settled by the Scotch, whose descendants are largely of the present population. The wonderful Caledonia Big Spring is here. This extraordinary spring was early a great rendezvous of the Indians. On its outlet was located the first fish hatchery in the United States, if not in the world. This was established by the late Seth Green, the father of practical fish culture. The hatchery is now the property of the State, and millions of brook-trout fry and fry of all other fresh-water game fish are hatched here, and annually distributed to the waters throughout the State. Also near the New York Central and Lehigh Valley railroads.

LEROY, LIVINGSTON CO., N. Y. From New York, 381 miles; Rochester, 33; Buffalo, 51. Settled, 1797; incorporated, 1834. Agricultural and manufacturing. On the great salt belt of western New York. 8 churches; union free school and annexes; 2 newspapers; 2 banks; 4 hotels. Indian remains and relics found at Fort Hill, 2 miles north of the village; gypsum and Onondaga limestone. Also near the New York Central and Lehigh Valley railroads.

(STAFFORD, GENESEE CO., N. Y. Station for the villages of Stafford and Morganville.)

BATAVIA, GENESEE CO., N. Y. From New York, 396 miles; Buffalo, 41; Rochester, 43. Settled, 1801; population, 8,500. Agricultural and manufacturing. Plough, wagon, and other factories. 8 churches; 6 schools; 2 newspapers (1 daily); 4 banks; 3 hotels. State School for the Blind. Batavia was the home of Dean Richmond, the famous railroad magnate, politician, and millionaire. It was the seat of the great Holland Land Company, which owned nearly all western New York in the early part of the century. The original land office of this company, a quaint and historical relic of the pioneer days, is still standing in Batavia. This place was the scene of the alleged abduction of Morgan by the Freemasons of 1826 for exposures of that order which he was charged with having made. This event, whether true or false, led to the anti-Masonic excitement in New York and other States, the result of which was a great political revolution. It was here that the first meeting to advocate the construction of the Erie Canal was held in 1809. The Oak Orchard Acid Springs, a curious collection of bubbling fountains, nine in number, in no two of which the water is the same, are located near Batavia.

ALEXANDER, GENESEE CO., N. Y., 29 miles from Buffalo. A small village, the seat of the Genesee and Wyoming Seminary, founded in 1834.

(For stations beyond Alexander, see Buffalo Division.)

#### MOUNT MORRIS BRANCH.

(From Avon; see Rochester Division.)

GENESEO, LIVINGSTON CO., N. Y. From New York, 375 miles; Rochester, 27. Settled, 1790; incorporated, 1832.

County seat. Agricultural. Population, 3,500. 5 churches; 2 schools; 2 newspapers; 3 hotels; 1 bank. State Normal School and union school. Wadsworth Library. The first settlers were William and James Wadsworth, agents for the sale of immense tracts of land in the vicinity. Gen. James S. Wadsworth, who fell at the battle of the Wilderness in 1864, was a son of the original James. The historic home of the Wadsworths is here. Several descendants of the pioneers have seats in the village or vicinity. The Treaty of Big Tree between the Indians and the United States, the most important event in the history of Western New York, was signed here in 1797.

MOUNT MORRIS, LIVINGSTON CO., N. Y. From New York, 382 miles; Rochester, 34. Settled, 1794. Incorporated, 1835. Named for Robert Morris, the financier of the Revolution. Population, 2,400. Agricultural and manufacturing. 5 churches; 1 school; 2 newspapers; 4 hotels; 3 banks.

At Geneseo, Mount Morris, and vicinity, there exists a condition of things common enough abroad, but rarely found in America, a sort of enlightened feudal system, the land being almost exclusively owned by a few individuals, hereditary holders, who, instead of leaving its management in the hands of unscrupulous agents, and living elsewhere on the desired revenue, plant themselves squarely in the centre of their own acres and identify their interests with those of their tenants. The life of the people of this class is not unlike that of the English country gentleman; their work consists in the management and improvement of their land, the bettering of the condition of the farming population, and the breeding and maintaining of thoroughbred animals, preëminently the horse. Their relaxation is found in the entertainment of guests, the exchange of visits, and, more than all else, fox-hunting in its season. Once every year, lured by the Genesee Valley hunt, one of the most famous in the country, "society" comes farther westward than is its wont, and finds in the autumnal splendors of the valley a rival to its own Berkshire Hills.

#### ON ERIE ROUTE THAT FAILED.

JAMESTOWN, CHAUTAUQUA CO., N. Y. From New York, 449 miles; Buffalo, 54; Dunkirk, 40. Settled, 1811. Incorporated as a village, 1827; as a city, 1886. Population estimated, 35,000. Agricultural and manufacturing. 18 churches; high school; 2 daily, 4 weekly, 2 semi-weekly newspapers; hospital; Prendergast Free Library. Jamestown is located at the foot of Chautauqua Lake, on Chautauqua Outlet. Artesian water; natural gas; electric lights and railway. Junction of the Buffalo and Southwestern Division and of the Meadville Division of the Ohio Division (Nypano). Steamboats run to and fro the entire length of the famous Chautauqua Lake. Jamestown was one of the first places connected with Erie history, and the original route was to pass near it, but was changed to its present route from Salamanca through Cattaraugus County. (See Chapter III., page 28; "The Building of It," pages 356-363.)



## ADDENDA



## CHAPTER XXI (*Continued*).

### ADMINISTRATION OF EBEN B. THOMAS—1899 TO 1901.

CROWNING ACHIEVEMENTS: Threatened Difficulty Overcome by Heroic Measures — Purchase of the Great Properties of the Pennsylvania Coal Company at a Cost of Nearly Four Times the Original Capital of Erie — Continued Surplus Earnings and a Genuine Dividend — Retirement of Mr. Thomas as President — Important Changes in the Executive, Operating, and Traffic Departments — Coming in of President Underwood.

A PECULIAR complication that was destined, if carried to the extent of its intention, to have a disturbing effect on the Erie's coal-traffic relations followed the abandonment of its canal and sale of it and its franchises to private parties by the Delaware and Hudson Canal Company in 1898. This was the incorporation in November, 1899, of the Delaware Valley and Kingston Railroad Company, with the avowed intention of constructing a railroad along the route of the canal from Kingston, N. Y., to Lackawaxen, Pa., there to connect with the railroad known as the Honesdale Branch of the Erie, but in reality a part of the Pennsylvania Coal Company's Erie and Wyoming Valley Railroad. The mere fact of the new railroad company's project so far as it was confined to the powers and efforts of that company alone would have been no substantial cause for apprehension to the Erie, but the project had the avowed backing of the Pennsylvania Coal Company, and was further sustained by the support of a large number of independent coal operators in the northern anthracite field. The importance of the Erie in the traffic in anthracite coal, aside from its own individual mine holdings, was entirely due to its connection with the Pennsylvania Coal Company's lines in the coal regions; and if this new railroad connection with the anthracite fields and tidewater were made, all that interest would be lost to the Erie on the expiration of its arrangement with the Pennsylvania Coal Company. The courts were resorted to to test the legal status of the new company and its project, and its rights as affecting those of the Erie, and a long, expensive, and uncertain course of litigation was inevitable, when the progressive and aggressive genius of the later-day Erie management removed with one stroke even the appearance of trouble on Erie's horizon. This was the purchase outright of the Pennsylvania Coal Company's rights and franchises and property, and those of the Delaware Valley and Kingston Railroad Company, thus placing the Erie in entire and absolute possession and control of the situation. This *coup* was effected through J. P. Morgan & Company at the cost of \$37,000,000, but it insured for all time Erie's prestige and tenure in the northern anthracite field as one of the largest producers and transporters of coal, and will stand forth not only as one of the great triumphs of President Thomas's administration, but of Erie's entire career.

The policy that came in with the Thomas administration has answered affirmatively each year the question as to whether the Erie could meet the vast sum of its fixed charges and live. In 1899 the charges were not only all earned and paid, but the earnings were sufficient to leave a surplus of \$653,798.26 besides. The surplus over the charges of 1900 was \$1,663,430.34. For 1901 the surplus is \$2,823,156.34, and August 30, 1901, the Company paid a dividend of  $1\frac{1}{2}$  per cent. on the first preferred stock, for the six months ending June 30, 1901, out of that surplus.

The Jersey City terminals were all completed in 1900, and the four-track system finished as far as Suffern, N. Y., nearly 29 miles. Heavy grades on the Eastern and Allegheny divisions that have retarded the traffic and increased the cost of transportation have been greatly reduced. The abolishing of grade crossings, the importance of which has been a feature of the Thomas administration, is progressing with all possible facility. One particular policy which President Thomas insisted on was the improvement of the character of the refreshment service at depot dining stations. The improvement in all branches of the railroad service was so marked during this administration that it is without precedent in Erie's history.

Mr. Thomas resigned as president, May 1, 1901, and was made chairman of the Board of Directors. He was succeeded by F. D. Underwood, second vice-president and general manager of the Baltimore and Ohio Railroad Company.

Early in 1901 James J. Hill, president of the Great Northern Railroad Company, became allied with Erie interests, the result of which, it is anticipated, will be important to the Erie as a factor in a great transcontinental transportation system.

Following is the fine showing for Erie for the last year of Mr. Thomas's administration:

Gross Revenue from Operations Amounted to.....	\$39,102,302 42
Operating Expenses and Taxes .....	28,406,974 27
Net Income from Operations.....	\$10,695,328 15
Income from Securities Owned, etc.....	1,496,077 53
Total Income .....	\$12,191,405 68
Interest and Rentals .....	9,368,249 34
Leaving a Balance to Credit of Profit and Loss of .....	\$2,823,156 34

## EARNINGS AND EXPENSES.

	1899	1900
Earnings.....	\$33,752,703 92	\$38,293,031 87
Expenses.....	25,169,926 28	28,448,605 14
Net Earnings.....	<u>\$8,582,777 64</u>	<u>\$9,844,426 73</u>

At the beginning of the Thomas administration Erie common stock was quoted at 8, the first preferred at 27, and the second preferred at 20. At the close of the Thomas administration Erie common was firm at 45½, first preferred at 73¼, and second preferred at 58¾.

J. A. Middleton, long time secretary of the Company, was chosen second vice-president, May 1, 1901, retaining the secretaryship.

A. Donaldson, third vice-president and treasurer, resigned April 23, 1901. He was succeeded as treasurer by J. W. Platten, assistant purchasing agent.

D. I. Roberts, general passenger agent, resigned June 22, 1901, and was succeeded by D. W. Cooke, assistant general passenger agent.

July 1, 1901, Charles R. Fitch was appointed general manager of the entire Erie system.

The advancement of Mr. Fitch from general superintendent to general manager was followed by many other changes in the operating department. The new office called for three assistants, one general and two division. J. C. Moorhead was made general assistant. George T. Slade was promoted from the superintendency of the Jefferson and Wyoming divisions to be assistant general manager for the

New York Division, and H. E. Gilpin from the New York, Susquehanna and Western Division to be assistant general manager for the Ohio Division. Mr. Slade was succeeded in his former place by J. M. Davis, Mr. Gilpin being succeeded by George W. Dowe, who was transferred from the superintendency of the Allegany Division. Superintendent Dowe was succeeded there by C. S. Goldsborough.

George Van Keuren, long assistant to General Superintendent Fitch, was appointed general superintendent of transportation, and J. F. Maguire, superintendent of the New York Division, was selected as assistant general superintendent of transportation, his successor as division superintendent being W. L. Derr, who was transferred as head of the Susquehanna Division, where he was succeeded by George A. Coe.

These were all advancements from the line, and well-merited recognition of faithful and valuable service by capable men, forming a corps and staff perhaps unequalled, and certainly not excelled, by those of any railroad company in the world in their mastery of every problem that the genius of modern railroad management has brought to bear upon the science of transportation and operation.

The office of general superintendent was transferred to Cleveland after the promotion of Mr. Fitch, and O. M. Mozier became general superintendent. In September, 1901, however, that office was abolished, and the incumbent assigned to special duties in the operating department, the duties of the office being assumed jointly by H. E. Gilpin, assistant general manager of the Ohio Division, and George Van Keuren, general superintendent of transportation at Jersey City.



*Frederick D. Chadwick*

## THE PRESIDENTS OF ERIE (*Continued*).

1901.

FREDERICK D. UNDERWOOD.—The beginning of the fiscal year of 1901-02 was marked by the presence of a new president in the Erie management—Frederick D. Underwood. Whatever of success and advancement in the company's affairs he is destined to command is, of course, for the future to show; but the outcome of all his past endeavors in railroad management is augury sufficient that in his hands Erie's future is secure and big with promise.

Frederick D. Underwood was born at Milwaukee, Wis., and was educated at public and private schools and at Wayland University. Upon leaving school he entered the service of the Chicago and Northwestern Railroad Company, at Green Bay, Wis., as a warehouse-man. At that time Angus Smith & Co. controlled, at Milwaukee, the largest grain elevator system in the world, and the future railroad manager, after a time, quit the railroad warehouse and became employed by the great elevator concern. Subsequently the system was purchased by the Chicago, Milwaukee and St. Paul Railroad Company. Mr. Underwood remained with that company as elevator superintendent, weigher of grain, brakeman, conductor, switchman in yards, yard master, assistant division superintendent, and division superintendent, a successive service of eighteen years. He was called to the Minneapolis and Pacific Railway in 1886 as general superintendent of construction. That company had just been chartered, and after supervising the construction of its railroad he was for fourteen years its general manager in charge of its traffic and operation. In 1899 Mr. Underwood was asked to assume the duties of general manager of the Baltimore and Ohio Railroad, in charge of the operating and engineering department of that great system. While filling that important post his genius as an effective and economical manager became known in still wider fields, with the result that when the Erie Railroad Company, with all its new and vastly increased importance and scope among the dominant railroad systems of the country sought a successor to President Thomas to direct and utilize to the best results those increased facilities and responsibilities, Mr. Underwood was chosen. He came to the Erie May 1, 1901, at the request of J. P. Morgan & Co., as president of the company and director in it and its constituent companies, a choice that only a manager of the very highest qualifications for the work

could have commanded. President Underwood has risen from one of the humblest of beginnings in railroad service, by sheer force of character, to the proud position he now occupies, and is one more conspicuous example of what it is possible for an American youth to overcome and attain to in the battle for fame and fortune.

President Underwood is a member of the Chicago Club, Chicago; Union Club, Cleveland; Duquesne Club, Pittsburgh; Maryland Club, Baltimore; Metropolitan and Lawyers' Clubs of New York, and of the New York and Baltimore Yacht Clubs.

### OFFICIAL ROSTER, 1901.

E. B. Thomas, Chairman of the Board; F. D. Underwood, President; Daniel Willard, Assistant to the President; G. M. Cumming, First Vice-President; J. A. Middleton, Second Vice-President and Secretary; L. D. Smith, Assistant Secretary; J. T. Wann, Auditor; A. T. Cuddeback, Auditor of Traffic; D. W. Bigney, Auditor of Disbursements; J. W. Platten, Treasurer; W. D. Bancker, Assistant Treasurer; C. R. Fitch, General Manager, New York; J. C. Moorhead, Assistant General Manager, Cleveland; George T. Slade, Assistant General Manager, Erie Division, New York; H. E. Gilpin, Assistant General Manager, Ohio Division and C. and E. R.R., Cleveland; George Van Keuren, General Superintendent of Transportation, Jersey City; J. F. Maguire, Assistant Superintendent of Transportation, Jersey City; W. L. Derr, Superintendent New York Division, Jersey City; T. H. Pindell, Superintendent Greenwood Lake Division, Northern Railroad of New Jersey and New Jersey and New York R. R., Jersey City; G. W. Dowe, Superintendent N. Y., S. and W. R. R., Jersey City; W. H. Barrett, Superintendent Delaware Division, Port Jervis, N. Y.; George A. Coe, Superintendent Susquehanna Division, Elmira, N. Y.; J. M. Davis, Superintendent Wyoming and Jefferson Divisions, Dunmore, Pa.; F. B. Lincoln, Superintendent Tioga Division, Arnot, Pa.; J. C. Tucker, Superintendent Rochester Division, Rochester, N. Y.; C. A. Brunn, Superintendent Buffalo Division, Buffalo, N. Y.; C. S. Goldsborough, Superintendent Allegany Division, Hornellsville, N. Y.; C. V. Merriek, Superintendent Bradford Division, Bradford, Pa.; I. Belnap, Superintendent Meadville Division, Meadville, Pa.; C. A. Allen, Superintendent Cincinnati Division, Galion, O.; H. N. Donaldson, Superintendent Mahoning Division, Youngstown, O.; H. F. Coyle, Assistant Superintendent Mahoning Division, Youngstown, O.; C. C. Reynolds, Superintendent Chicago and Lima Divisions, Chicago; James Corbett, Assistant Superintendent Chicago and Lima Divisions, Huntington, Ind.; D. W. Cooke, General Passenger Agent, New York; F. W. Bnskirk, Assistant General Passenger Agent, Chicago.

BOARD OF DIRECTORS.—Robert Bacon, New York; James J. Goodwin, New York; Abram S. Hewitt, New Jersey; James J. Hill, St. Paul, Minn.; John G. McCullough, Vermont; Darius O. Mills, New York; Alexander E. Orr, New York; Norman B. Ream, Chicago, Ill.; Samuel Spencer, New York; Charles Steele, New York; Francis Lynde Stetson, New York; E. B. Thomas, New York; H. McK. Twombly, New York; F. D. Underwood, New York; J. Lowber Welsh, Philadelphia, Pa.

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